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NEWS SUMMARY

GENERAL

Golda Meir dies at 80

Golda Meir, a pioneer of the State of Israel and Prime Minister for five crucial years, has died in Jerusalem aged 80.

Mrs. Meir had suffered from leukaemia for 13 years but recently she developed viral hepatitis, which led to her death in hospital.

Her time as Prime Minister included the 1973 Arab-Israeli war, after which she resigned.

Mrs. Meir, born in the Ukraine and brought up in the U.S., had a will of iron and Israel's first Prime Minister, David Ben-Gurion, once called her "the only man in my Cabinet." Obituary, Page 2

Iran peace move

Iran is to withdraw troops from the streets of Tehran and declare the capital an open city in an attempt to avoid clashes during protest marches planned for tomorrow. Page 2

Sanctions 'fine'

United Airlines will pay $50,000 to settle a suit brought by the U.S. Justice Department for breaking Rhodesia sanctions. The department is also reopening sanctions investigations involving Mobil and Caltex. Back Page

Namibia demand

Ivor Richard, British Ambassador at the United Nations, speaking for the five Western members of the Security Council, called for a UN presence in Namibia early next year to prepare for supervised elections. The alternative, he said, was South Africa's complete isolation. Page 2

Powell's warning

Ulster Unionist MP Enoch Powell warned that a marriage between Prince Charles and a Roman Catholic could be the beginning of the end for the British monarchy. It would not be a religious question but a political one of the highest importance. Page 4

Threat to TV

Some BBC Christmas programmes could be blacked out because of action by the Association of Broadcasting Staff, the main broadcasting union, who will be working to rule. Page 22

Strike arrests

Police arrested four students from Essex University after incidents on a picket line outside the offices of the East Anglian Daily Times in Ipswich. Provincial journalists have been on strike since Monday in support of a pay claim.

Police raid club

Five staff members at the Victoria Sporting Club, London, were still being questioned by police last night after an early-morning raid involving about 200 police. Scotland Yard is investigating allegations under the Gaming Act.

Tennis defeat

The U.S. drew first blood in the Davis Cup tennis final against Britain at Palm Springs when John McEnroe beat John Lloyd 6—1, 6—2, 6—2 in 100 minutes.

See how they run

Farmers in the East Java village Urek-Urek have just finished a three-week mouse-slaughtering drive in which 32,000 mice were killed.

Briefly . . .

Unemployment benefit will be paid fortnightly instead of weekly from next September, Employment Secretary Albert Booth told the Commons.

Prime Minister Begin of Israel arrived in Oslo for tomorrow's presentation of the Nobel Peace Prize which he shares with Egypt's President Sadat. Page 2

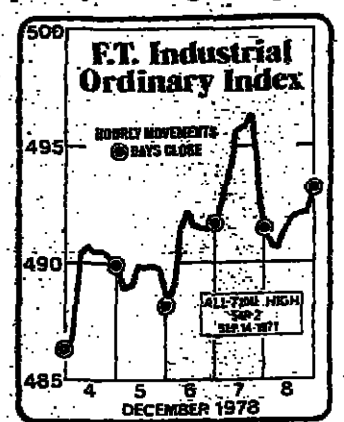
Fire caused damage estimated at $140,000 to a Hollywood house rented by Keith Richards of the Rolling Stones.

Four people were jailed for life — three in their absence — in Palmi, Italy, for their part in a clan feud which has claimed 15 lives in 12 years.

BUSINESS

Equities steady; Gold up $3.75

● EQUITIES steadied and leading shares edged forward in anticipation of the FT index possibly breaking through the 500 mark during the Christmas trading Account. The ordinary share index closed 1.8 up at 493.3.



● GILTS were quiet and the Government Securities index closed 0.02 down at 68.97.

● STERLING rose 90 points to $1.9605 and its trade-weighted average rose to 62.8 (62.7). The dollar's depreciation widened to 8.2 per cent (8.1).

● GOLD rose $3¾ to $202¼ in London.

● TOKYO stock markets touched an all-time high with the Tokyo New Stock Exchange Index breaking through 450 and the Nikkei Dow Jones index reaching 6,074.93 in the heaviest trading so far this year. Lex

● WALL STREET closed 4.24 down at 811.85.

● NATO countries have pledged an unprecedented aid effort to help Turkey and Portugal stabilise their economies and protect their democracies from subversion. Ministers meeting in Brussels have agreed to step up aid both bilaterally and through the IMF and OECD. Page 2.

● GOVERNMENT White Paper has been published setting out how the UK would be involved in the development of the new European Monetary System. Back Page.

● VENEZUELA's largest commercial bank, the Banco Nacional de Descuento, has been taken under direct government control as a result of liquidity problems. Page 2

● INTERNATIONAL ENERGY Authority has urged western governments to support a "massive substitution" of coal for oil, and says that to fill the energy gap expected by the end of the century there must be more rigorous energy conservation and developments of new energy sources. Back Page

● SHELL and Esso are planning to spend more than £700m on developing the North Sea North Cormorant Field. Shell has invited bids for the construction of a steel jacket for the drilling and production platform, and yards in the UK, France, Spain, Norway and Holland are expected to compete. Back Page. Shell group expects to increase its investment outside North America next year to more than £1.5bn, most of it spent on oil and gas production. Page 3

● POST OFFICE and the Union of Post Office Workers have joined forces to try to persuade the Government to treat 200,000 union members as a special case outside the 5 per cent pay limit. Page 4

● GLC has called upon the Government to make a firm decision whether or not to back the proposed £55m trade mart planned for the derelict Surrey Docks area of London. Page 17

● VOLKSWAGEN expects total sales for 1978 to exceed DM 27bn following a 36 per cent rise in profits in the first nine months to DM 375m. Page 21

COMPANIES

● BURTON GROUP reports a sharp turnround in the 12 months to August 26 from a £5.08m loss to a £7.55m pre-tax profit, following recovery in the UK menswear division. Page 18 and Lex

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Treasury 11½pc 1981	£99	+ ½
BTR	335	+ 6
Burnett & Halamshire	205	+ 5
Campari	109	+ 3
GEC	340	+ 8
Gough Cooper	74	+ 4
Johnson-Rich'ds Tiles	97	+ 3
K Shoes	80	+ 3
Man. Agency & Music	109	+ 3
Racal Electronics	358	+ 10
Rush & Tomkins	106	+ 4
Saatchi & Saatchi	140	+ 5
United Real Prop.	318	+ 10
Sogomana	181	+ 6
De Beers Defd.	382	+ 10
Marievale	92	+ 5½

FALLS

Dundonian	33	— 4
Ferguson Ind'l.	123	— 3
Fertleman (B.)	25	— 4
Glaxo	530	— 8
Hunting Assoc. Inds.	283	— 7
Woodhead (J.)	97	— 4
Castlefield	240	— 5
Westfield Minerals	375	— 10

Sanctions row continues—key vote on Wednesday

British Oxygen is asked to explain breach of 5% limit

BY NICK GARNETT, LABOUR STAFF

British Oxygen management representatives have been called in to meet Government officials on Monday to explain why the company's gases division settled at double the 5 per cent pay limit with its drivers and cylinder-handlers.

The Government appears to be making an example of British Oxygen, as it did of Ford, for breaching pay guidelines.

The Treasury is understood to have completed its examination of the deal, and decided that it cannot be justified as being within the guidelines.

The settlement gave the 3,000 *workers an average rise of* 9.5 per cent on overall earnings, taking them to more than £100 a week.

It included a general clause that the drivers and depot workers would co-operate with management in improving performance.

Monday's meeting will involve officials from the Department of Industry, and almost certainly, from the Treasury.

The same procedure as that used for Ford—which has had sanctions taken against it after a 17 per cent settlement—is likely to be adopted, with the possibility of a public announcement in the event of a decision to impose sanctions.

If the Government proceeds on this course, it might decide to invoke penalties against the whole of British Oxygen, rather than the gases division alone.

Other groups within BOC International's total labour force of 21,500 are negotiating deals which are likely to be worth about 10 per cent. At the same time, other divisions within British Oxygen appear to be more vulnerable to Government sanctions than the gases division.

That division dominates its market, suppling 80 per cent of cylinder gas, and is the sole supplier to a large number of industrial installations which have gases supplied direct by pipeline.

The company manufactures a wide range of materials, including computers, chemicals and refrigeration, welding and medical equipment. The Government is a big direct and indirect purchaser.

Apart from the threat of Price Commission controls, the company also has applications for temporary employment subsidies and development grants for next year, which could be refused.

It will tell the Government that it could not have settled with the drivers and depot workers on

Continued on Back Page

BAKERS VOTING ON NEW OFFER

BY ALAN PIKE, LABOUR CORRESPONDENT

***BAKERY WORKERS* will vote this weekend on a new pay offer which may end the national bread strike, now in its fifth week.**

The offer, worth 14.4 per cent, emerged at the end of three days of talks at the Advisory Conciliation and Arbitration Service last night.

***However, a complication may* arise over the insistence by employers that they will continue to retain workers who have defied the strike. The industry has a post-entry closed shop agreement.**

Mr. Sam Maddox, general secretary of the bakers union, said last night that the continued employment of strike-breakers could create a "monster on the shop floor" which it would not be possible to control.

***The union will be putting the* new offer to its members without any recommendation on whether to accept.**

MPs will debate pay next week

By Elinor Goodman, Lobby Staff

MPs WILL debate pay policy on Wednesday in Government time previously put aside for the already delayed Public Lending Rights Bill.

Postponement of the debate on Thursday has given the Government a valuable breathing space in which to rally its troops for a vote which, if taken this week, it would almost certainly have lost.

The Tories may well try to maximise the Government's *embarrassment over pay by* using the chaotic scenes in the Chamber on Thursday as evidence of the way the Labour leadership has lost control over its Left wingers.

The indications yesterday were that some Labour back benchers who had been planning to abstain in the sanctions vote on Thursday, might now be prepared to toe the Government line provided the motion is phrased in the most general of terms.

The feeling was that at least some of the potential rebels would be satisfied by having made their presence felt on Thursday by their delaying tactics, and that they would be reluctant to abstain on what will now be a Government motion rather than a procedural motion *submitted by the Tories.*

This means that the Conservatives will again have to look for the support of the minority parties if they are to defeat the Government.

The Scottish Nationalists and the Liberals were due to vote with the opposition on Thursday. The Tories will now try to persuade the Ulster Unionists to get off the fence.

The vote on Wednesday will be on a motion supporting the Government's fight against inflation. Whatever happens it will amount to a vote of confidence.

So as to cause *minimum* offence among Left wingers and union-sponsored MPs it will probably be phrased in the most general of terms, making no mention of figures or specific *weapons for fighting inflation.*

The amendment will be voted on first, so if it is carried, the Government will not have an opportunity to put its motion to the House.

Procedurally, therefore, the Government is at something of a disadvantage. On the other hand very few MPs—except Tories—want a winter election.

£ in New York

—	Dec. 8	Previous
Spot	$1.9630-9640	$1.9515-9525
1 month	0.38-0.30 dis	0.47-0.40 dis
3 months	1.17-1.09 dis	1.22-1.13 dis
12 months	4.10-3.90 dis	4.10-4.00 dis

Norway pays more in deal with Volvo

BY WILLIAM DULLFORCE OSLO, Dec. 8.

NORWAY WILL pay SKr 950m (£110m) for a 40 per cent share of Volvo, the Swedish car and truck manufacturer, instead of the SKr 750m originally agreed.

The supplementary SKr 200m will be paid to the new Swedish holding company, free of tax, as "compensation" for the reorganisation of the company and Volvo's planned investment in Norway.

After seven months of complicated negotiations, which were more than once on the point of breaking down, the final agree*ment was signed here today by* Mr. Odvar Nordli, Norway's Prime Minister, and Mr. Pehr Gyllenhammar, Volvo's managing director.

Supply

At the same time, Mr. Nordli and Mr. Ola Ullsten, Swedish Prime Minister, signed a 30-year agreement on industrial and energy co-operation.

The main elements of this are a Norwegian commitment to supply Sweden with up to 4-5m tons of oil a year for 20 years, and the Swedish Government's "recognition" that Norway shall import from Sweden between 1.5m and 2m cubic metres of timber a year for the same period.

Mr. Nordli said that the two agreements represented a breakthrough for Nordic co-operation, and would strengthen the economies of both countries.

Mr. Ullsten said that short-term *interests had given way to* long-term objectives. Mr. Gyllenhammar said that Volvo could now dare to operate in the 1980s and 1990s at an investment level of which it would not otherwise have been capable.

It has committed itself to a five-year industrial plan under which it will invest NKr 500m to NKr 700m in Norway, create between 3,000 and 5,000 jobs there, and develop, together with Norwegian aluminium and plastic manufacturers, a new car model built of light materials and using advanced technology.

A *special* industrial development unit is being set up in Norway for this purpose.

Research

Volvo Penta, the marine diesel engine subsidiary, is to be moved to Norway. Volvo will work together with six Norwegian research institutes, and will transfer part of its *head office to Oslo.*

The agreement meant the development of "a new Swedish-Norwegian industrial complex based on vehicle manufacturing, component production and energy," Mr. Gyllenhammar said.

Volvo Petroleum, a new wholly-owned subsidiary of the Swedish holding company, will get 10 per cent of two Norwegian North Sea blocks and a 2 per cent share of a third. The third is Block 30/6, a so-called golden block for which there has been great competition among the oil companies bidding in Norway's fourth offshore concession round.

Volvo said its oil operations would give a negative cash flow for some six to eight years. The maximum risk would be Sw.Kr. 100m; but if exploitable oil discoveries were made, an *average return of 10 to 15 per* cent after tax on capital employed could be expected.

The Volvo deal has to be approved by its shareholders on January 30, and by the Norwegian Parliament towards the end of February. It also depends on some dispensations and statutory amendments being agreed by the two Parliaments, because, in spite of Mr. Ullsten's categoric statement last month that Swedish tax law could not be changed to accommodate the Volvo purchase, Sweden is making some tax concessions.

Tax waived

Most important are the waiving of coupon tax on the dividends payable to the Norwegian holding company and the application to the Norwegian share capital of a Swedish regulation exempting *from tax for some years a portion* of the dividends paid on new share capital.

The two governments have also agreed to start work on co-ordinating their tax laws. Judging by some of the questions to Mr. Gyllenhammar at a Press conference today, Volvo's Swedish shareholders may not be entirely satisfied about the tax issue and the potential size of Norwegian State participation in their company.

Details, Page 21

SE dealings

The list of weekly dealings in the Saturday edition of the Financial Times will from today record transactions in the five trading days to Thursday evening, and not to Friday evening as previously. *This change has been made* because of the technical difficulty of including the Friday figures. These will now be reflected in the list *for the subsequent week,* so a continuous record will be maintained.

Home loans quota raised to £700m a month

BY EAMONN FINGLETON AND IVOR OWEN

THE BUILDING societies have been authorised to lend 9 per cent more money for mortgages in the new year, Mr. Peter Shore, Environment Secretary, announced yesterday.

He told the Commons that the new lending quota agreed with the movement for the first three months of next year would be £2.1bn—equal to £700m a month. This compares with the present quota of £640m a month, in force since July.

The quotas are part of the *Government's efforts to curb the* rise in house prices. Building societies agreed reluctantly to work within quotas last spring after house prices in parts of London and the South East rose sharply.

The building society movement was resigned to the prospect of quotas continuing into the new year and the new figure is closely in line with what the movement expected.

For example, Mr. Stanley Walker, chief general manager of the Leeds Permanent, said in October that a rise of about 10 per cent in the quota was needed.

Mr. Shore, who told MPs yesterday that there were some signs that the rate of increase in prices had begun to slow down, claimed that the £2.1bn ceiling for the first three months of next year should encourage the building industry to look ahead with some confidence.

The volume of lending in the second quarter would be discussed early in 1979.

Although the societies had been operating on a lending level averaging not more than £640m a month over the past *six months,* the number of mortgage commitments had remained at a high level.

"In 1978 the societies are likely to promise about as many home loans as in 1977—which was an all-time record for a single year." Mr. Shore said.

Mr. Shore also reported that the building societies' support lending scheme for local authority nominees was developing into an increasingly successful joint endeavour between the societies and local authorities.

There was every chance that local authority nominees to building societies would take up the *full £300m of mortgage finance* the societies were making available in Britain in 1978-79.

"In view of the success of the scheme, and the additional contribution it is now making to meeting the needs of prospective home owners at the lower end of the market, the Building Societies Association has now agreed to recommend to partici*pating building societies a* substantial increase in 1979-80—to £400m."

Mr. Shore pointed out that, with direct lending by local authorities, this meant that more *than £550m should be available* to *local authority nominees* in the coming financial year.

Mostek plans £20m plant

BY JOHN LLOYD

MOSTEK, one of the largest U.S. semi-conductor manufacturers, is to invest about £20m to begin mass production of micro-electronic chips in either Scot*land or the Irish Republic in the* near future.

The plant, which will eventually employ about 2,000 people, will initially produce micro-processors and memories for the *European market.* Mostek said yesterday that it may produce chips for the U.S. market as well.

Two senior executives from the Texas-based company are in Scotland this weekend and are believed to be having talks with the Scottish Development Agency.

The company has already had talks with the Irish Development Agency, and it is believed there is considerable competition between the two bodies to get *the project.*

Mostek has traditionally refused to invest outside the U.S., believing it would be unable to obtain the same productivity levels.

However, Mr. L. J. Sevin, the company's president, has been concerned by the establishment of Inmos, the micro-electronic company backed by the National *Enterprise Board,* which he claims has been modelled closely on Mostek.

He now faces further competition from Fairchild, which will shortly set up a joint venture with the General Elecric Company to manufacture chips, *probably in Cheshire, next year.*

The Scottish Development Agency has shown a marked interest in encouraging further investment in micro-electronics and is about to receive a report *from the U.S. consultant Booz* Allen and Hamilton on the prospects for increased investment and training.

Among Booz Allen's proposals is understood to be one recom*mending the allocation of more* than £1m to boost advanced education in micro-electronics.

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FEATURES

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OVERSEAS NEWS

Iranian Government lifts weekend processions ban

BY ANDREW WHITLEY

TEHRAN, Dec. 8.

THE IRANIAN GOVERNMENT announced tonight that it is to ease its strict martial law regulations and allow religious demonstrations on Sunday and Monday, the two blackest days of mourning for the country's 30m Shiite Moslems.

This face-saving tactical retreat by the generals—the real power in Iran—will effectively permit what is expected to be a huge procession through the capital's streets on Sunday morning. A decisive factor seems to have been yesterday's edict from the Shiite leadership in Iran, forbidding soldiers to shoot demonstrators, particularly on those two days.

The decision to allow Sunday's march is seen as a victory for the moderate faction among the generals, led by Gen. Gholam Reza Azhari, the Prime Minister. Apart from the relaxation of the ban on public assembly, the night-time curfew in Tehran is to be reduced by two hours on Sunday and Monday. The decision was made at a meeting of senior generals today.

In the past few days, armed attacks on Iranian establishments and foreign targets have increased. A crude Molotov cocktail firebomb was thrown into the house of a British diplomat in North Tehran last night. The diplomat, Group Capt. John Horrell, the Air Attache, and his wife were unhurt.

Illustrating how serious trouble can break out without warning, a huge procession in Isfahan today degenerated into mob violence and arson. The army reportedly opened fire at one stage, killing between two and four demonstrators.

Isfahan has the largest and most conspicuous Western presence of any Iranian city, mainly because the U.S. Air Force has a large training programme there. In today's rampage, the Grumman Aircraft Corporation's offices are reported to have been burnt, and an American club attacked. Other targets included bank branches.

There appears to have been considerable violence in the provincial towns. Up to a dozen people died in Mashad on Tuesday, according to some sources. In the extreme west, the Kurdish towns of Mahabad and Sardasht are also said to have suffered many casulties. One person is thought to have been killed yesterday in Amol, in the Caspian Sea region.

The military today stepped up security in Tehran, in preparation for Sunday's march. Cars coming into the city were stopped and searched, and spot checks were also being made in the city.

Diplomatic sources say two carloads of weapons have been discovered over the past week or so.

In the capital, leading Opposition lawyers say that dissidents are being rounded up indiscriminately.

Reuter adds from Istanbul: Pan Amserican Airways today began a shuttle service to Istanbul to fly foreigners out of Tehran.

Pan Am's two daily westward flights from Los Angeles arrived today from the regular stop in Tehran but, instead of going on to London and New York, all passengers were taken off the Boeing 747 jumbo jet. They were told they would be given other flights later.

Reuter adds from Washington: President Carter is seriously worried that remarks he made about the Shah are being interpreted as signalling a change in U.S. policy on Iran.

Mr. Carter told reporters at the White House yesterday that he did not know whether the Shah could survive the turmoil in Iran and added: "This is something that is in the hands of the people of Iran."

But Mr. Jody Powell, the White House Press Secretary, said today President Carter had directed the State Department to issue a new statement reaffirming American backing for the Shah.

Schmidt to attend Jamaica summit

By Martin Dickson

HERR Helmut Schmidt, the West German Chancellor, is among Heads of Government of at least seven developed and developing countries who have accepted an invitation from Mr. Michael Manley, the Prime Minister of Jamaica, to hold summit talks later this month on the North-South dialogue.

Other leaders who have agreed to attend the meeting, to be held on December 28 and 29 in a resort on the Jamaican north coast, include Mr. Pierre Trudeau, Prime Minister of Canada, Mr. Malcolm Fraser, the Australian Prime Minister, Sr. Carlos Andres Perez, the outgoing President of Venezuela, Lt. Gen. Oluesgun Obasanjo, the Nigerian Head of State and Mr. Odvar Nordli, the Norwegian Prime Minister. President Julius Nyerere of Tanzania has accepted an invitation in principle but made clear his attendance will be contingent on developments in Tanzania's troubles with Uganda.

The meeting has no connection with the summit between the U.S., France, West Germany and Britain to be held on the French Caribbean island of Guadelope the following week.

The Jamaica meeting, designed to look for new ways of breaking the impasse in the search for a new world economic order, was suggested by Mr. Manley during talks with Chancellor Schmidt last February, but it has taken until now to find a suitable date. Mr. Callaghan, the British Prime Minister, was invited but is unable to attend.

The Jamaican talks will be informal, the idea being to find new approaches to international economic relations rather than trying to reach formal agreement on complex issues. Mr. Manley has long been one of the main participants in the North-South dialogue.

U.S. may limit company profits

BY STEWART FLEMING

NEW YORK, Dec. 8.

IN A continuing search for ways to put teeth into the price control side of its anti-inflation policy, the Carter Administration is considering placing a dollar limit on the profits of companies which choose to be controlled by profit margin restrictions rather than price guidelines.

When President Carter announced Phase Two of the anti-inflation policy at the end of October, he proposed two alternatives for price guidelines. Companies choose either to limit their price increases to half a percentage point below the average price increase in 1976 and 1977, or to maintain their profit margins.

The Administration did not intend the profit margin test to be an equal alternative, rather an option open in special circumstances. Its fear is that companies will choose profit margin controls because it will give them greater freedom to raise prices and pass on cost increases to customers.

In recent weeks, therefore, the Administration has been looking for ways to make the profit margin option less attractive—it seemed at one time that a high proportion of companies would select it if given a free choice.

Thus the Administration is now looking at a proposal which would limit a company choosing profit margin control by requiring that its total profits should not increase by more than a specified percentage over its average dollar profits during the best two of the previous three years.

The aim is to ensure that companies can increase profits as a result of volume sales increases, but to limit the increase resulting from price rises.

The administration fears that unless the prices side of the anti-inflation programme is strengthened, it will be challenged by labour as unfair in comparison with the strict wage rise guideline.

The Carter administration may ask consumers to boycott stores and other businesses that raise prices in defiance of government guidelines, Mr. Alfred Kahn, the President's chief inflation fighter, said yesterday, AP-DJ reports from Washington. This was one measure the Government was actively considering to toughen the voluntary wage and price guidelines, he said.

David Buchan writes from Washington: With the available labour pool showing a 600,000 rise, the number of Americans holding jobs rose sharply last month while the unemployment rate stayed unchanged at 5.8 per cent, the Labour Department reported today.

The latest figures show a surprising degree of strength in the U.S. economy, despite recent indicators of hesitant future spending plans by business coupled with high interest rates. This would seem to justify the Carter Administration's decision to give the inflation problem priority treatment.

The November jobless rate was down slightly from levels earlier this year. The number of unemployed last month increased slightly to 5.9m from 5.87m in October. But in the same period half a million more workers were taken on to the country's payroll, bringing the total to 95.7m.

Employment gains last month were recorded in every major industrial sector. Manufacturing posted the largest gain for the second successive month, following five months of sluggishness.

Cubans 'are in Vietnam'

By David Housego

CUBAN and Russian officers are present in Vietnam, according to a Vietnamese soldier captured by Cambodia.

The 19-year-old soldier claimed in a "confession," broadcast by Phnom Penh radio on Tuesday, that there were 30 Soviet and Cuban officers in Moat Chruk, in An Giang province, and 30 more at Kramuon Sar, in the same province. He said the Russians and the Cubans were ready to take direct command of the Vietnamese army when Vietnam launched an invasion inside Cambodia.

Carter to ease controls on petrol prices

BY DAVID LASCELLES

NEW YORK, Dec. 8.

THE ADMINISTRATION has decided to remove controls on U.S. petrol prices, but has not decided when, an Energy Department spokesman said today.

He denied that President Carter planned to put the proposal to the new Congress early next year, as reported today by the New York Times. According to that report, if Congress accepted the proposal, petrol prices would go up by two to four cents a gallon at the pump.

Petrol price rises are only one of the tough decisions on energy pricing Mr. Carter must make in the coming months. However, they are fast becoming the most politically charged, partly because they are so noticeable, partly because the growing reports of petrol shortages throughout the country are reinforcing oil company arguments that prices must go up to even out the market.

Petrol prices are now controlled by a complex pricing formula dating back to the beginning of the energy crisis. This has helped keep U.S. petrol costs well below half those in Europe. However, removal of controls would have to follow the anti-inflation programme, on which Mr. Carter has staked his political future.

Mugabe rejects conference plan

MAPUTO, Dec. 8.

A team of American and British diplomats arrived here today and were told by Mr. Robert Mugabe's wing of the Patriotic front that their proposals for an all-party conference on Rhodesia were unacceptable.

Mr. Cledwyn Hughes, the personal representative of Mr. James Callaghan, the British Prime Minister, and Mr. Stephen Low, the U.S. Ambassador to Zambia, representing President Carter, arrived for talks with Mozambique's President, Samora Machel, and Mr. Mugabe, co-leader of the Patriotic Front, which is fighting the Government of Mr. Ian Smith, Rhodesia's Prime Minister.

A.P.

Row over S. Africa inquiry evidence

BY QUENTIN PEEL

CAPE TOWN, Dec. 8.

OPPOSITION MPs today called for the publication of the evidence given by General Hendrik Van den Bergh, former chief of South Africa's secret service, to the Commission of Inquiry into misuse of Government funds by the former Information Department.

The move followed a claim by the General that he was being made a scapegoat in the affair, and subjected to "the biggest character assassination in the history of South Africa."

The focus of the debate into the secret operations of the Department—on which some R64m (£37.6m) was spent over five years—has shifted to the roles of General Van den Bergh and his master, Mr. John Vorster, then Prime Minister and now President.

The General, long seen as a shadowy figure just behind Mr. Vorster, claimed that he had kept the Prime Minister informed of the activities of the Information Department, including the plan to finance a pro-Government newspaper. Mr. Vorster denies it.

The Erasmus Commission into the information affair described General Van den Bergh as an arrogant witness, clearly implicated in efforts to cover up the irregularities in the Department. It claimed he played a double role to hide the full facts from Mr. Vorster, while actually co-operating with Dr. Connie Mulder, the Minister, and Dr. Eschel Rhoodie, the Secretary for Information, in their secret operations.

The General finally retaliated yesterday, describing the Commission as "a big farce," and a "mountain which brought forth a mouse."

The implication of General Van den Bergh's statement, that Mr. Vorster knew about the irregularities earlier than he admitted, has redoubled Opposition efforts to include him in the scandal.

General Van den Bergh's scornful references to the inquiry have also brought opposition demands for his prosecution for contempt. True to his image of careless ruthlessness, he was photographed at his meeting with journalists yesterday fondling a silver-plated Soviet-made automatic rifle, which he said had been a gift.

The present Government Establishment seems determined to sacrifice the General, if only to save the reputation of Mr. Vorster.

Any criticism of Mr. Vorster is likely only to unite party ranks, although it is now admitted that his administration was struck by "confusion and paralysis" in its closing days—as Mr. Botha admitted yesterday. But observers here believe that the President may step down during the coming year, using the reason of ill health.

UN Namibia force urged

BY OUR OWN CORRESPONDENT

UNITED NATIONS, Dec. 8.

WITH WHAT appeared to be a thinly veiled threat of ultimate sanctions if South Africa were obdurate, Britain called today for the establishment of a UN presence in Namibia "in the very early part of 1979" to prepare internationally supervised elections.

Speaking also for Britain's Security Council partners, the U.S., France, West Germany and Canada, Mr. Ivor Richard said South Africa's decision must be "clear-cut and positive." He said the alternative was South Africa's complete isolation.

Noting that consultations between Dr. Kurt Waldheim, the UN Secretary-General, and the South Africans were to continue this month, the British delegate urged their swift completion to settle the remaining details of the plan for UN-supervised elections in Namibia.

This calls for the despatch of a large UN force and more than 1,000 civilian officials to the territory, where internal elections were completed today. These have been declared null and void by the Security Council, and Mr. Richard reaffirmed that position.

NATO to aid Turkey, Portugal

BY REGINALD DALE

BRUSSELS, Dec. 8.

THE NATO countries today announced an unprecedented aid effort to help Turkey and Portugal stabilise their economies and protect their democracies from subversion. Greece will also benefit, though to a lesser extent.

The action, the first to invoke NATO treaty provisions for economic cooperation, was announced at the end of the Alliance's regular winter Ministerial Council here. It particularly reflected serious Western concern over Turkey's deteriorating economic and political situation.

No target figure has been set for the aid. But Ministers agreed that countries that could afford to do so would step up aid both bilaterally and through multilateral channels.

Dr. Joseph Luns, the NATO secretary general, said an ad hoc group on military aid to Turkey and Portugal would meet in four to five days' time. He would also study how the general aid commitment could be turned into concrete measures.

Mr. Warren Christopher, U.S. Deputy Secretary of State, said Washington would consider further ways of helping Turkey following this week's American agreement to provide Ankara with \$50m worth of balance of payments support and re-shedule Turkish debt to the U.S.

Meanwhile, following consultations here, Greece and Turkey have agreed to continue seeking a solution to their Aegean disputes. Officials of the two Governments will meet in Vienna on January 9.

Consultations are also to be intensified over how far NATO's nuclear weapons in Europe should be modernised to meet the growing threat from the Soviet SS-20 missile and the Backfire bomber. The Allies want to prepare public opinion carefully before any decision to introduce new nuclear weapons into Western Europe in the hope of averting the kind of outcry that arose over the neutron bomb.

Ohira plans action on jobless

BY CHARLES SMITH

TOKYO, Dec. 8.

THE NEW Japanese Government headed by Mr. Masayoshi Ohira, will clearly place more emphasis on solving such micro-economic problems as unemployment and industrial over-capacity, than on the Gross National Product (GNP) growth rate.

Mr. Ohira said at his inaugural Press conference today that Japan, like other countries, had traditionally geared its economic policy-making to GNP targets. However, a gap was opening between overall performance, as measured by GNP figures, and the situation "on the ground."

Mr. Ohira made it plain that he proposed to tackle such basic issues as unemployment directly, rather than "going all out" for faster economic growth and leaving other problems to solve themselves.

One of Mr. Ohira's reasons for stressing micro-economics appears to be a pre-occupation with the size of the budget deficit and the threat of fiscal instability if the deficit continues to grow. The Government would face an "agonising choice" in balancing the demands of growth and stability when drafting the 1979 budget, he said. It would probably not be possible to be very generous with fiscal stimulus to the economy—but the range of options was in any case very narrow.

Mr. Ohira avoided saying that he was abandoning the 7 per cent growth target set for the fiscal year 1978, ending March, 1979, by the Fukuda Government. He did claim, however, that Japan would not be dishonouring its commitments to the outside world if growth fell below 7 per cent, as any shortfall would be due to declining Japanese exports rather than to a failure to stimulate domestic demand.

1979 growth hopes in France

BY DAVID WHITE

PARIS, Dec. 8.

FRANCE WILL start next year with more reason to hope for lasting growth than it has had for the past two years.

This is the conclusion of an end of year study published by the official statistics institute INSEE. The Institute's optimism about more sustained economic activity and slower inflation is shared by the employers' federation (CNPF) and the Paris chamber of commerce in similar publications which came out yesterday. But so are INSEE's worries about employment and investment.

The institute forecast that consumption would rise at an annual rate of about 3.5 per cent at least until next summer, roughly in line with the Government's growth projections.

But although this growth would take place in a less inflationary atmosphere, French price rises would still be higher than the average among France's most important EEC partners.

Inflation might be 1.5 per centage points below the current rate which the Government is hoping to keep at 10 per cent for this year. But a more marked slow down would seem impossible without the principle of wage indexation being called into question.

The institute backed up the Government's hopes for a continued surplus in France's trade balance after this year's turn around. Trade should stay in the black even if the rise in oil prices expected in early 1979 were to reach 10 per cent.

The main black spot was employment. Jobless figures, having already reached record levels of over 1.3m, were expected to rise further even if at a slower rate than this year. The number of extra job seekers next year might be between 80,000 and 100,000.

Venezuela backs ailing bank

By Joseph Mann

CARACAS, Dec. 8

THE Banco Nacional de Descuento, Venezuela's largest commercial bank, has come under direct government supervision as a result of what Sr. Luis Jose Silva Luongo, the Finance Minister, describes as "liquidity problems."

The decision to act was made yesterday at a meeting between President Carlos Andrés Pérez and the country's monetary authorities.

The Government said it would guarantee normal operations of the bank, including deposit and lending activities. It was not immediately clear whether the Government would take direct control or simply make emergency funds available and oversee activities.

Rumours have circulated for several months among Venezuelan and foreign bankers about problems in BND, as the bank is known here, but this is the first time the Government has spoken out on the matter.

On several occasions Sr. Benito Raul Losada, president of the Central Bank of Venezuela, has said that the Government would fully support any Venezuelan bank which was in danger of going under.

Hugh O'Shaughnessy writes: Under the chairmanship of Sr. J. J. Gonzalez Gorrondona, the BND acquired a reputation for its fast growth. It bid aggressively for deposits and was active in the real estate market.

Romania visit

Mr. Michael Blumenthal, the U.S. Treasury Secretary, arrived in Bucharest yesterday on a short visit to underline American support for Romania's independent foreign policy, Agencies report from Vienna. Mr. Blumenthal had breakfast yesterday with Herr Helmut Schmidt, the West German Chancellor in Bonn. At the meeting he reaffirmed American support for the new European Monetary System.

Begin arrives in Oslo

Mr. Menahem Begin, Israel's Premier, arrived in Oslo on Friday to collect the 1978 Nobel Peace Prize he shares with President Sadat. Troops in combat gear, with automatic rifles, kept watch as the Israeli leader made a brief statement and was whisked by helicopter to the Royal Palace. The prize-giving will take place on Sunday in the Akershus fortress.

Agencies

MRS. GOLDA MEIR

Israel's toughest politician

BY DAVID LENNON

TEL AVIV, Dec. 8.

MRS. GOLDA MEIR, who died today at Hadessa Hospital, near Jerusalem, was called out of retirement in March 1969, two months before her 71st birthday, to become Prime Minister of Israel.

Fears that an ailing grandmother would be unable to cope with the strains of leading an embattled nation were soon quelled, as she stamped her tough personality on the Government.

One of the few women to lead a nation in modern times, Mrs. Meir had served a long apprenticeship in Zionist and Israeli politics, where she had proved herself a match for any male.

Indeed, David Ben-Gurion, Israel's first Premier, had once described her as "the only man in the Cabinet," in a moment of frustration with the indecisiveness of some of his Ministers.

Despite her reputation as a tough politician, Mrs. Meir was only selected as Prime Minister as a compromise candidate, during the succession battle which followed the death of Prime Minister Levi Eshkol early in 1969.

But a few months later, she had made such an impact on the country and her own Labour Party that she was the natural choice to lead the party in general elections, which confirmed her in power.

One of the first trials she faced was the War of Attrition between Egypt and Israel along the Suez Canal. As Israeli casualties mounted, she eventually approved deep bombing raids inside Egypt, which earned Israel world criticism, but did lead Egypt to end the war by the middle of 1970.

Israel's dramatic victory over three Arab armies in 1967 had given the country a feeling of military superiority. Confident in the overwhelming dominance of Israel in the region, the Government paid little attention to the possibilities of negotiating a peace treaty with its neighbours.

This arrogance was to lead to the 1973 war, which shocked Israel out of its complacency, and forced Mrs. Meir to retire early in 1974.

Mrs. Meir, held responsible by many people for Israel's unreadiness for the war, ended her career with less of the honour that even her opponents would have wished her. Everyone recognised that, whatever her shortcomings, Mrs. Meir had contributed greatly to the creation of the Israeli state.

Born Golda Mabovitch on May 3, 1898, in Kiev in southern Russia, she was the second of three daughters of a poor cabinet-maker. In 1906, her family emigrated to the U.S., where they settled in Milwaukee.

Her strong-willed character showed through early, and at the age of 14, Golda ran away from home to join her older sister in Denver. There she met Morris Myerson, a Russian Jewish immigrant some years older than her, who was later to become her husband.

It was at this time that she became involved in the public Jewish activities which were to convince her that her future lay among the Jews trying to build a new society in Palestine.

In 1917, she married Morris Myerson, but only after he had agreed to travel with her to Palestine. Four years later, they sailed for Haifa and a life as labourers on Kibbutz Merhavia.

But, within a year, her reputation as a fiery speaker had lifted her out of the chicken runs into political activity. This, plus her husband's inability to adjust to the Spartan life of the Kibbutz, led them to move to Tel Aviv and then Jerusalem.

Between 1924 and 1928, Golda Myerson stayed at home, raising her two children. But domesticity was not to hold her for long. As she wrote some years later: "There is a type of woman who does not let her husband narrow her horizons."

In the following years, she worked as an administrator and political leader of many fledgling Jewish organisations in Palestine. This eventually, led to the break-up of her marriage in 1945.

Unencumbered by a husband, and with her children already grown up, Golda played an ever more active role in communal politics. Her most dramatic mission on behalf of the Jewish community took place in November 1947 when, disguised as an Arab woman, she travelled to Transjordan to try to persuade King Abdullah not to enter the battle about to break out in Palestine between Arabs and Jews.

The mission failed, not because she lacked courage, but perhaps because events had already moved too far and because the King was insulted that the Jews had sent a woman to negotiate with him.

After the declaration of the state, Mrs. Myerson was appointed Israel's first Ambassador in Moscow. But, a year later, she was called home to join the first regular Government as Minister of Labour. In 1956, she was appointed Foreign Minister, changed her name to Meir, and held the post until retiring in 1965.

Persuaded to serve her party as Secretary-General, she saw it unite with another left-wing party to form the Israel Labour Party, before she finally retired from public life in August 1968.

Only seven months later, a deadlocked Labour Party, unable to choose between Mr. Moshe Dayan and Mr. Yigal Allon as successors to Premier Eshkol, called on Mrs. Meir to step in to prevent a party split.

Still chain-smoking, despite her years and poor health, she accepted the job, after being persuaded by her family that it was her duty.

Her personal warmth, directness and genuine concern for the welfare of her people made Mrs. Meir a striking Prime Minister. She captivated her audiences wherever she went and was not adverse to using her charm to win over Western politicians doubtful about the policies of her Government.

Her belief in the absolute justice of the Zionist cause made her a powerful speaker, but it also made her blind to the plight of the Palestinians. One of Mrs. Meir's most quoted statements was "There are no Palestinians," which aroused fierce anger among Palestinians everywhere.

Her binkered nationalism led her to ignore possible openings for peace talks with neighbouring Arab states. Israel was convinced it could hold on to the territory it occupied in 1967 and force the Arabs to make peace on terms dictated by Israel.

The rude awakening of the 1973 war and the heavy loss of life among the Israeli forces shattered this illusion. Mrs. Meir faced harsh public criticism as one of those responsible for fostering the feeling of invincibility.

Despite winning the general elections of December 1973 the continuing public protests about the Government's failure to prevent the war led her to resign early in 1974.

Since then, she resisted attempts to bring her back into public life. But to demonstrate that her tongue had lost none of its tartness, on hearing that Prime Minister Menahem Begin was being proposed for the Nobel Peace Prize, she said she thought he had rather deserved an Oscar.

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HOME NEWS

Turkey prices to stay the same

By John Edwards, Commodities Editor

OVEN-READY FROZEN turkeys will cost much the same price—between 48p to 54p a pound—this Christmas as last year, Mr. Raymond Twiddle, chairman of the British Turkey Federation, said in London yesterday.

Mr. Twiddle said the virtual price "freeze" was partly because of increased efficiency by turkey producers, and partly as a result of the "High Street war" among retailers cutting their profit margins to boost sales.

He pointed out that, in contrast, beef prices had moved up by about 25 per cent since last December, and lamb by 16 per cent.

Mr. Twiddle said the industry expected to sell between 7.5m-7.8m oven-ready turkeys this Christmas, and supplies were adequate to meet demand.

Supplies of traditional, fresh turkeys were expected to be much the same at between 2.2m and 2.5m, but it was difficult to say how prices would behave. Nevertheless, he believed, prices (about 66p a pound) would not exceed the general rate of food inflation.

Mr. Twiddle was speaking at the annual Christmas heaviest turkey competition, where the winning turkey achieved a world record weight of 72 lb. Produced by British United Turkeys, it was auctioned for charity, fetching £13,000 from Thornhill Packers, who gave it to Dr. Barnados Homes.

Fleetwood delays move to liquidate

FLEETWOOD Fishing Vessel Owners' Association, which controls fish landing arrangements at the Lancashire port, has deferred for a week a decision on whether to call in a liquidator.

The directors want to study in detail the implications of Mr. John Silkin's announcement in the Commons of aid to the fishing industry.

The association announced 10 days ago that it would be forced to wind-up today unless the Government provided a guarantee of an estimated £150,000 to keep it solvent until February.

Mr. Silkin said on *Thursday* that owners of trawlers based in Fleetwood, Hull and Grimsby would receive a rebate of about 50 per cent on dock charges paid to the British Transport Docks Board this year, at a cost of about £1.2m.

But the Fleetwood association will get no direct aid, and its directors have estimated that owners in the port will receive less than £100,000.

One of the reasons for the deferment is that six Icelandic ships are scheduled to land their catches in Fleetwood next week—the largest number for many years—and this could boost the association's landing account.

Merchants said the decision would give them a breathing space, but if the association did fold next weekend, alternative arrangements would be made to ensure trawlers could be unloaded.

Mr. Richard Cook, president of Fleetwood Fish Merchants' Association, said the biggest fear was that the trawler owners might withdraw their ships to other ports.

Halewood on full output

THE £125m Ford car plant at Halewood, Liverpool, is back on full production after the 10-week national strike over pay which was settled at 17 per cent. In the first week back, there were some production problems, but the management *said last night that* the plant was now slightly ahead of schedule.

In the second week, it averaged more than 960 cars a day, and the workers did an hour's overtime at the end of each day-shift. There were hopes of maintaining these figures up to the 14-day break for Christmas and the New Year, starting on December 20.

BL plan for vice-chairmen abandoned

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

BL HAS given up the search for three executive vice-chairmen to support Mr. Michael Edwardes, the chairman. Instead, the three managing directors of the car product companies have been appointed chairmen of their respective businesses and will continue to report direct to Mr. Edwardes.

This suggests that BL—formerly British Leyland—is still having considerable problems in its search for top executives. Earlier this week it announced that it would merge most of the interests of SP industries, its specialist engineering division, with Leyland Vehicles, the bus and truck side, so that Mr. David Abell, SP's managing director, could take over as *chairman and managing director* of LV which had been seeking a new chief executive since June.

Expectations

However, BL's formal view of the latest top management changes yesterday was that the three managing directors involved—Mr. Ray Horrocks at *Austin Morris*, Mr. Pratt Thompson of Jaguar Rover Triumph and Mr. Peter McGrath of BL Components—had proved such strong managers that there was no need for any "buffer" between them and Mr. Edwardes.

BL issued a statement by Mr. Edwardes, quoted as saying: "The speed with which Austin Morris, Jaguar Rover Triumph and BL Components have become operational has exceeded our expectations. These companies now have strong management teams and have demonstrated fully their ability to manage their businesses."

In a further reshuffling of the existing management team, Mr Percy Plant has been appointed *executive director of BL Cars*, the holding company responsible for supplying staff and service functions to the car-operating concerns. He was corporate finance director and is replaced by *Mr. F. L. Fitzpatrick*, currently company secretary.

Stylist

Mr. A. R. Large, finance systems and administration director of LV's part division, is to be company secretary.

Mr. Edwardes remains chairman of the BL Cars Board, Mr. Pat Lowry, corporate director of personnel and administration, has been appointed deputy chairman and David Bache, the car stylist, has been appointed to the Board.

Finally, to achieve greater co-ordination in business planning, these functions within BL and BL International have been combined. Mr. N. J. Carver has been appointed director of business startegy and Mr. W. J. Bacchus, who was responsible for business planning with BLI, will report to him as well as continuing as secretary to the BLI Board.

... and prices go up 5%

BL IS ADDING an average 5 per cent to the price of its cars on Monday, closely following similar increases made by Vauxhall and Chrysler. Ford is planning a 4.9 per cent rise, but has not yet announced it formally.

The latest increase by BL takes the cost of an 850cc Mini up from £2,091 to £2,157 while, at the top end of the range, the Jaguar XJ 4.2 saloon will go up from £10,209 to £10,994.

This is first time for more than a year that the company has kept its price rises in line with those of its main UK-based competitors.

Previously it added a little more than its competitors as part of a drive to make each model more profitable.

£5m TV soccer deal in doubt

FINANCIAL TIMES REPORTER

THE FUTURE of the exclusive £5m soccer deal between London Weekend Television and the Football League was placed in doubt yesterday because the contract may be taken to the Restrictive Practices Court.

Mr. John Fraser, Minister of State, Department of Prices and Consumer Protection, in a Parliamentary answer, said: "I *understand that the Director-General of Fair Trading* has notified the parties that he considers that the agreement is registerable and so subject to the provisions of the Restrictive *Trade Practices Act of 1976.* This matter is therefore now one for the Director-General of Fair Trading and it would appear to fall within the jurisdiction of the *Restrictive Practices Court.*

He added that it would be inappropriate for him to make any further comment.

Meanwhile the BBC announced yesterday that its High Court action against LWT and the Football League would start on April 24.

The BBC seeks a declaration that LWT was bound by an agreement under which the BBC and all the commercial television companies negotiated jointly, and not unilaterally, for new agreements governing televised league soccer.

The BBC asks also for an injunction to prevent the Football League and LWT putting their deal into effect.

It seeks damages from LWT for breach of the agreement governing joint negotiations. It also *claims* damages, from the League and LWT, for conspiring to injure the BBC by negotiating a deal in breach of an existing agreement.

Last month the BBC took out High Court writs against LWT and the Football League over their exclusive television soccer deal.

The Commercial Court, part of the Queen's Bench Division, said the date of the hearing had been agreed yesterday by Mr. Justice Mocatta. The hearing is expected to last four weeks.

Shell will spend more outside America

BY CHARLES BATCHELOR

ROYAL DUTCH SHELL group *expects to increase capital in*vestment outside North America to over £1.5bn next year, *from* £1.3bn in 1978. Most will go on production of oil and natural gas.

Exploration activities will absorb a further £140m in the current year. Total capital and exploration spending, including that of Shell Oil and Shell Canada, in 1978 is now expected to be about £2.7bn, compared with £2.62bn last year.

Mr. Dirk de Bruyng, president of Royal Dutch Petroleum's managing board, told investment analysts in The Hague that capital spending in the oil processing sector by Shell outside North America is expected to rise above £250m next *year, from £200m this.* It will be concentrated on projects involving high-value products, on expanding the applications for raw materials and on *protecting the environment.*

In the oil sales division, investment is aimed at improving the efficiency of sales outlets and the distribution network. Shell seeks a closer relationship with the small customer. A £35m cooled petroleum gas terminal at Hekinan, in Japan, will have capacity to handle 400,000 tons of LPG from the Middle East per year. Spending in the sales division will rise slightly in 1979, from about £200m this year.

Capital spending on shipping has been reduced to less than £40m this year. Oil tanker investment will be strictly limited over the next few years.

The outlook for the Shell fleet is improving, though, and tanker demand and supply are *expected to be in balance by* 1981. The company sees prospects for shipping dry bulk cargoes.

Shell is continuing with its investment programme for chemicals because it sees good prospects of profitable growth in the long term. Historical growth rates will not be achieved again, but chemicals growth is expected to exceed general industrial growth. Spending in 1979 will rise slightly from the level of just over £200m this year.

Capital spending on coal and metals amount to *only 5 per cent* of total spending outside North America in 1978, but these sectors are part of Shell's broad energy base.

The company aims to be into international coal trading by the 1980s. Spending, including exploration and joint ventures, will be slightly more than £90m next year.

*Capital and exploration ex*penditure in the metals sector is expected to rise to £70m next year, from £65m in 1978.

Lever gives strong support to new monetary system

BY RHYS DAVID

STRONG SUPPORT for the European Monetary System as an essential tool in ensuring greater world currency stability came yesterday from Mr. Harold Lever, the Chancellor of the Duchy of Lancaster, and one of the Prime Minister's main economic advisers.

Mr. Lever said that, although there were obvious difficulties, *the nations of Europe had* accepted as their objective monetary co-operation rather than independent action. The feeling that the EMS would be a flop was wrong, as there was a large measure of agreement among the European nations on the principle, and the central objective had also been embraced in unambiguous terms by the Prime Minister, Mr. James Callaghan.

"I am sure that the agreement will result in a harvest of greater currency stability in Europe in the period ahead," he said.

Speaking to the British Textile Machinery Association in Manchester, Mr. Lever said it was a juvenile delusion to see the system as a device for insulating Europe from a troubled dollar or yen. Leaders of the world, helped by the Prime Minister, had begun to see that the central problem for the dollar was its position as the dominant world *currency*.

The dollar, since the oil crisis, had financed the deficit of many countries, and in so doing had ensured the prosperity of others. It was the responsibility of the world's great nations to support it in this role, and there were now encouraging signs that this was recognised. The EMS was *an indication* that European countries were prepared to shoulder their repsonsibility for ensuring a sound monetary system.

A period of co-operation could now be starting which would replace the slanging match of the past few years, in which Europeans had urged the U.S. to do something about the weakness of the dollar, while the U.S. had replied with demands for Japanese and German reflation.

Mr. Lever said the EMS was a welcome step towards the creation of a system to replace the floating exchange rates which had followed the collapse of the Bretton Woods scheme in the early 1970s. This had failed because it did not reflect the *growing importance of re*vitalised nations in Europe, and Japan.

"The result was not a new system, but floating exchange rates, sold by seminar experts, most of whom would not be trusted by their wives to do the Saturday shopping. They all had degrees in the market, however," he said.

Modernised motor lab project will cost £8m

By Kenneth Gooding, Motor Industry Correspondent

THE MOTOR Industry Research Establishment (MIRA) is to spend £8m to modernise its facilities to meet the technical requirements of the 1980s.

The project depends, however, on the Department of Industry providing about £4m of the cash required.

"This capital investment is important to the future of the UK motor industry," commented Dr. Cedric Ashley, MIRA's director yesterday. "The placement of large specialised capital facilities where they can support the whole industry represents best use of the country's resources and investment."

The project has been developed after discussions with BL Cars, the State-owned former British Leyland, which is to go ahead with its own proving ground and other facilities at Gaydon.

There has been no significant capital investment at the MIRA *establishment* at Nuneaton since 1968 when a crash test laboratory was installed.

Dr. Ashley said that some £2m to £3m a year should have been spent to keep it up-to-date, but *last year only £148,000 was* paid out.

The project includes a new engine test laboratory with altitude chambers; improvements to the barrier impact facility and provision of a *reverse* accelerator sled; a new central computer with graphic terminals; a climatic wind tunnel for cars, trucks and buses; an extension to electro-hydraulic fatigue test equipment and new services for these facilities.

● An organisation has been set up to bring together all those interested in putting electric vehicles on to British roads as quickly as possible. Its title is the Electric Vehicle Development Group.

Mr. Alan Aldous, its executive director, said that the develop*ment and widescale use of elec*tric vehicles would take place only if there was a fusion between the road transport industry and the present electric vehicle industry, fully backed by government agencies and research organisations.

The group would implement a co-ordinated development programme representing all these interests.

FT CONFERENCE IN OSLO ON NORDIK BANKING

Pressure brings success

BY FAY GJESTER

NORWAY HAS been more successful than Britain in securing a large and increasing share of offshore contracts from its sector of the North Sea, Lord Balogh, economic adviser to the British National Oil Corporation, told the Financial Times conference on Nordic banking and finance yesterday.

Lord Balogh attributed *Norway's success to a number of* factors. One was that Britain had to comply with EEC rules regarding diversion of trade, while Norway was bound by the more general GATT principles. *Another was the unofficial and* even "covert" pressure which, he claimed, Norwegian authorities put on the oil companies.

"The foreign firms are obviously relunctant to complain, or are unwilling to provide publicly evidence of this pressure because they would endanger their relations with the Government which has ample powers to help or hinder the industry, which is not unlikely to be one of the great deep water sources of hydrocarbons *in* the North Atlantic and the Barents Sea."

LORD BALOGH

"Norway has done better than Britain."

Work permits

A system of employment regulations and work permits was another method used by Norway to increase its share of orders. It was a lever Britain could not use; since the British sector represented so much larger a part of the total offshore industry than the Norwegians.

"The work permit system allows the enforcement of the training of Norwegian manpower and it is with some envy that I read reports of Norwegian nationals being employed by the majors in exploration work in Asia and elsewhere."

Lord Balogh said it appeared that Norwegian dominance in meeting supply boat requirements in the Norwegian sector was also due to the support of the Government "though this is denied. There is no hard evidence available but whatever method they use it seems extremely effective in securing their aims."

Speaking on "Norway as a borrower," Mr. Steinar Sorbotten, of the currency division in Norway's Ministry of Trade, explained why the kingdom of Norway has borrowed only short-term since 1975. Since that year, all State loans on the international market have been for five years, at fixed interest rates, with no instalments paid before the total principal is due. One reason was that Norway planned to finance a current account deficit for a relatively short time. This was still true, in spite of the delay in petroleum income inflow.

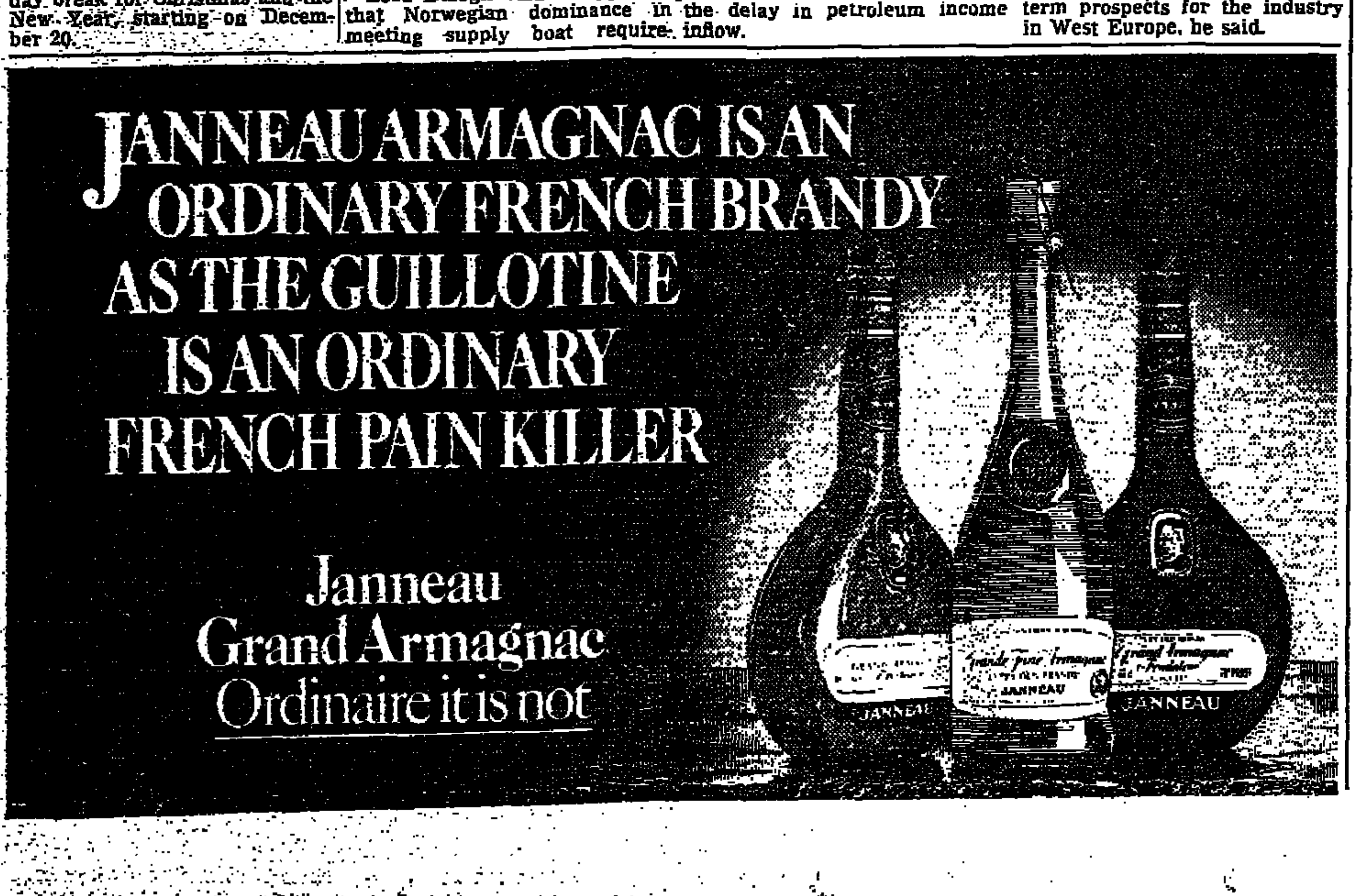
Secondly, the market had been very favourable for this type of loan, and thirdly, other Norwegian borrowers needed longer credits. "By avoiding unnecessary competition between Norwegian entities in certain segments of the markets, we think we have all got the best terms available," he commented.

Mr. Helge Seip, chief editor of *the Norwegian Journal of Commerce and Shipping*, said that the Volvo agreement, signed in Oslo yesterday, fitted very well into the general picture of Nordic co-operation. The trend within the Nordic area had for decades been to integrate production and marketing, and to work towards a combined Nordic home market for industrial production. He forecast that the Norwegian Storing (Parliament) would approve the deal, in spite of the widespread scepticism it has aroused so far among Opposition politicians.

Prospects

The Nordic countries should *invest* "heavily and urgently" in nuclear technology, according to Dr. I. M. Mackintosh, chairman of Mackintosh Consultants. He claimed this was necessary if these countries — and all advanced nations—were to maintain their standards of living in the face of a threatening energy shortage.

Mr. Bo Wergens, director-general of the Swedish Pulp and Paper Association, said the fall in the dollar had distorted competitiveness between North America and Western Europe. In the medium term, the paper industries in Scandinavia and Europe must consolidate and restructure to improve profitability so that funds could be raised to finance expansion. Forecasts indicated favourable long-term prospects for the industry in West Europe, he said.



HOME NEWS

Powell defends bar on Prince marrying a Catholic

BY ELINOR GOODMAN, LOBBY STAFF

MR. ENOCH POWELL yesterday launched a remarkable *defence of the bar on the heir* to the throne marrying a Roman Catholic. Such a marriage, he warned, could mean the beginning of the end for the British monarchy.

The issue, combining both the hint of a Royal romance and nationalism, seems bound to be a popular one in Mr. Powell's predominantly Protestant constituency of South Down, where he is under pressure within the Ulster Unionist Party.

The speech, expressing his long-held concern about the constitutional complications of such a union, was couched in Mr. Powell's usual cerebral style and drew on his extensive knowledge of the constitution. Not wanting Prince Charles to marry a Catholic had nothing, he insisted, to do with religious bigotry. Nevertheless, his words are likely to be interpreted in Northern Ireland as an attempt to improve his relations with the Protestant hardliners in his constituency.

Mr. Powell, who was speaking in Co. Down, said he deplored any invasion into the Royal Family's privacy, but the "*hypothetical*" question of the marriage of the heir apparent to a Catholic was an aspect of Royalty which was public "by virtue of the very fact of relationship to the throne."

Without referring to reports—denied by Buckingham Palace—that Prince Charles might have considered marrying the Catholic Princess Marie-Astrid of Luxembourg, Mr. Powell pointed out that the Bill of Rights of 1689 and the Act of Settlement of 1701, prevented *the heir to the throne* marrying a Catholic. Because the law dated back so far did not mean that it was no longer relevant, he said.

"*Nobody should underestimate* the intense emotional forces which, after nearly 300 years and despite everything that has altered in the interval, still lurk under the antique draughtsmanship of those two Acts of Parliament," he warned.

It was not a religious question but a political one of *national importance*. It was this character which "carrying it effortlessly across the chasm of so many years, lands it at the centre and burning point of present politics and present conflicts." What made it political was the unique nature of the British State and its relationship with the Church of England.

The destruction of the essential principle of the Church of England would, he said, be the capitulation of a key position both morally and practically. "It would signal the beginning of the end of the British monarchy and would portend the eventual surrender of everything that has made us, and kept us, a nation."

£50m more backing for Ulster industry

BY OUR BELFAST CORRESPONDENT

THE GOVERNMENT is to raise the financial limit for the Northern Ireland Development Agency from £50m to £100m. Mr. Mason, the Ulster Secretary, announced *yesterday*.

The increase follows proposals announced on Thursday to raise the limits for the Scottish and Welsh agencies.

Northern Ireland has committed £31m since it was set up 2½ years ago to succeed the Northern Ireland Finance Corporation.

NIDA spending is growing rapidly, mainly by the provision of risk capital. By far the largest nvestment has been in the sports car project promoted by Mr. De Lorean, the former General Motors' executive.

This has swallowed up £17.75m of agency funds in the form of equity in De Lorean Motor Cars, *which is scheduled to begin pro*duction in Belfast by early 1980.

The agency's half-dozen wholly-owned subsidiaries include Strathearn Audio, the West *Belfast hi-fi company* whose £3.1m loss for the year ended last March contributed substantially to the agency's retained loss of £4.4m over the period.

Mr. Mason gave details of the raising of the limit to members of the Northern Ireland Economic Council who yesterday met for the first time outside Ulster—at the Ulster Office in London.

He said that the increase would enable the vital work of expanding the industry of Ulster to continue. The Province's campaign to capture *overseas invest*ment had brought the promise of 5,600 jobs over the past year.

Meanwhile, Short Brothers, the Belfast aerospace company, which is to receive *£60m* in Government aid up to 1982, has met with "discouraging results" from a campaign to attract from within the province up to 250 *specialist technical workers.*

It is to extend the search to Britain and abroad. Shorts' workforce is expected to increase by about 300, to 6,500, by 1982.

Union blamed for more phone frustration

BY JAMES McDONALD

A QUALIFIED SUCCESS is claimed by the Post Office for its telephone service during the third quarter of this year.

It says that over 82 per cent of inland phone calls to the operator services were answered within 15 seconds, compared with 80.4 per cent in the same quarter of 1977.

The Post Office also reports that over 63 per cent of dialled inland calls were connected successfully during the quarter. (In effect, therefore, 37 per cent of the calls were unsuccessful.)

Of local automatic calls, 23.2 per cent found the number engaged or no reply, as did 24 per cent of subscriber trunk dialled (STD) calls. "But only 1.5 per cent of local customer-dialled calls and 3.8 per cent of STD calls failed due to the Post Office.

"Fault clearance rates showed a decline, and there was a higher rate of failure in International Direct Dialled (IDD) calls.

"Much of the decline in standards is attributable to the effects of industrial action by the Post Office Engineering Union, which escalated in the three-month period."

More Home News on page 22

Aerospace deal with Saab for jet parts

By Lynton McLain

BRITISH AEROSPACE has signed a £3m contract with the aerospace division of Saab-Scania of Sweden for airframe components for the BAe 146 airliner.

The aircraft is a 70-100 seat feeder-liner jet for inter-city operations.

The Swedish company, based in Linköping, will participate in the £250m project as a risk-sharing partner, but British Aerospace gave no details of this side of the agreement.

The move comes two months after British Aerospace signed a similar, £7m risk-sharing agreement with the U.S. Avco Corporation's Lycoming Division, of Connecticut, covering the supply of wings. Avco has already been awarded the contract to provide the four ALF-502H engines for each aircraft.

Both contracts call for production of 20 sets of components, with Avco supplying two further sets of wings for structural testing.

Saab-Scania will produce tailplanes, rudders, ailerons, elevators and spoilers, with the first production set for delivery in May, 1980.

Announcement of the latest sub-contract for the feeder-airliner came three days after Lord Beswick, chairman of British Aerospace, told the House of Commons Select Committee on Nationalised Industries that the 146 project had received an encouraging response from airlines, although there were still no orders.

The first flight of the aircraft is expected in two years and the first deliveries will be made to airlines by early 1982. Production is expected to be centred in Britain. A full-scale *mock-up* of the aircraft is already on the shop floor at British Aerospace's Hatfield works.

S. Africa sanctions pledge withheld

BY IVOR OWEN

BRITAIN would consider supporting the imposition of economic sanctions against South Africa only in a situation "of the utmost gravity," Mr. Ted Rowlands, Foreign Office Minister of State, told the Commons yesterday.

But his refusal to give an absolute undertaking that Britain's veto would be used to block any proposal introduced in the United Nations Security Council to institute a trade embargo against the republic, brought protests from Tory MPs.

Mr. Richard Luce, a Conservative spokesman on foreign affairs, stressed that a recent statement by Dr. David Owen, Foreign Secretary, that he was not prepared to give a categorical assurance on this issue, had caused "considerable dismay."

He called for a firm assurance that the stand taken by successive British Governments in resisisting sanctions against South Africa was not about to be abandoned.

Mr. Luce joined other Tory MPs in stressing the severe damage which Britain would suffer, particularly through rising unemployment and loss of investment, if sanctions were applied.

Sanctions on South Africa would have a severe impact on Britain's economy, Mr. Rowlands admitted, but he emphasised that account had also to be taken of the effect on important political and economic interests over a much wider area if Britain were to be in the position of being the only nation to veto a Security Council resolution.

He maintained that no government could even say that whatever the circumstances Britain would not accept sanctions being used against South Africa.

Housing Bill to set up tenant committees

BY PAUL TAYLOR

A FURTHER consultation paper on the proposals for increased tenant involvement in housing authority management, which the Government intends to include in the "Tenants Charter" Housing Bill, was issued by the Department of the Environment yesterday.

The main proposal included in the paper is that tenants' committees of between 15 and 25 people should be set up by every housing authority within six months of the planned legislation becoming law.

Housing authorities would be obliged to consult the committee on major changes in policy or management, maintenance, improvement, disposal, transfer or demolition of existing housing stock, as well as proposed changes in tenancy agreements.

The committees would also have an active role in raising relevant matters with the housing authority.

The new arrangements would provide tenants with much wider rights of consultation over all housing matters at local level.

The paper forms part of a lengthy process undertaken by Mr. Peter Shore, Environment Secretary, in the formulation of the proposed Housing Bill. Other papers already published deal with issues such as security of tenure.

Prices rise while sales fall

NEWS ANALYSIS

BREAD

BY DAVID CHURCHILL, Consumer Correspondent

ON MONDAY the price of a standard white 20 ounce loaf of bread *is due to cost 1p more in most* shops. But the increase, given the go-ahead by the Price Commission earlier this week, will do little more than act as a temporary brake on the declining profitability from bread for the big two bakers left in the industry, Ranks Hovis McDougall and Associated British Foods.

The bakers are resigned to the inevitable fact that bread consumption—which has fallen steadily since 1945—will slump even further once the present strike is over.

After last year's 10-day strike by bakery workers, bread consumption fell by about 5 per cent, as consumers switched allegience to crispbreads or cakes, or even gave up eating bread altogether. This means that once the current dispute, now in its fifth week, is over, the bakers will have to spend several months trying to win back lost consumers, even before any attempts are made to halt the long-term erosion of demand for bread.

The bakers *themselves* recognise that this stimulation of bread consumption is likely to prove extremely difficult. Waiting in the wings are plans for an estimated £1.5m advertising campaign to boost bread sales. The campaign had been due to start this autumn, but last-minute problems—and the threat *of a strike—postponed its launch* until next spring or autumn.

The crucial problem for the *big bakers is that their whole* operations are geared to producing a high volume, low margin product. The name of the game is selling as much bread as possible—*a scenario that has led to* chronic overcapacity in the industry, and given the supermarket chains the power to demand large discounts which the bakers can *ill afford for stocking particular* brands.

Spillers' decision to pull out of baking earlier this year eased the overcapacity problem—capacity was running at a quarter more than needed before Spillers shut down—but, before the strike began, capacity was still believed to be a tenth greater than required.

Associated British Foods—which has just under a third of the total bread market compared with Rank's share of just over a third—has been able to ride out the continuing crises of recent years marginally better than Ranks because of substantial new investment in plant and machinery. Rank's problems with its baking operations were reflected this week by the 15 per cent slump in pre-tax profits in spite of an almost 11 per cent increase in sales.

Even the most efficient plant is of limited value if consumer demand for the product continues to fall. In the early 1960s, *the public consumed just over* 45 ounces per head each week. Last year, consumption was just *over 32 ounces—a drop of about* 30 per cent. Just over half of this consumption was accounted for by wrapped, white bread, while brown bread including whole*meal was responsible for only* slightly more than one-tenth of consumption.

Immediately before the strike, bread consumption was believed to be running at between 2 to 3 per cent below last year's level. This, however, still leaves some 10m loaves a day to be eaten by the public.

There are several reasons for the steady decline in bread consumption. Some decline has always been seen as inevitable since, as the standard of living rises, people tend to want different, and more expensive, foods.

In addition to this, the bakers feel that what they see as continual criticism from the media and medical profession has created a poor public image for bread. The media, the bakers *claim, are responsible for creat*ing the impression that mass-produced bread tastes of "cotton wool" and has none of the flavour of bread made by small, independent bakers.

The big bakers point out that small bakery production—especially the "hot-bread kitchens" where the customer *can see the bread being baked*—are attractive, but not economic for large-scale production. They argue that families who eat three loaves a day—with *parents and children having* sandwiches as their midday meal—are more concerned with convenience and consistency than nostalgia.

*The bakers are also angry with people who criticise the carbohy*drate content of bread and the fact that production methods are not "natural."

They claim that bread not only provides a major contribution to daily protein requirements, but also supplies this protein at a lower price than any other commonly consumed food. And they point out that permitted additives and processes employed are very strictly controlled by legislation based on *expert advice from specialised* bodies such as the Food Standards Committee.

Moreover, the bakers feel bitter towards that body of medical opinion that insists that brown bread is better than white—in spite of what the bakers *say has been the overwhelming* preference for centuries by consumers for white bread.

The question facing the bakers is how far the decline in consumption can be halted before it reaches a stable level. In the U.S., bread consumption has also fallen, but it is now at a fairly constant level, although much lower than in the UK.

Both Ranks and ABF have attempted to diversify within the sector by producing cakes and crispbreads. But their problem is that with their heavy fixed investment in producing a high volume of bread, it is almost impossible to switch pro*duction to higher margin speci*ality breads.

In the immediate future, the big bakers hope that the less effective strike action this year—which has enabled them to produce about three-quarters of normal output—will limit the effect on consumption. But it is almost certain that the bakers will have to seek another price rise—probably in the spring—to enable them to maintain even the currently depressed level of profitability.

With the possibility of a spring General Election, this would once more put the problems of the bakers back into the forefront of political, rather than economic, considerations.

APPOINTMENTS

New chief for Alcan UK

Mr. David Morton is named successor to Mr. Denniss Pinn as managing director of ALCAN ALUMINIUM (UK). He will take *up his appointment in April.* Mr. Pinn, who reaches normal retirement age in 1979, will relinquish full time executive responsibilities but will remain chairman of the company.

Mr. Morton joined the Alcan Group in the UK in 1934. Since May 1977 he has worked in the Group head office in Montreal as a vice-president of Alcan Aluminium responsible for corporate planning.

*

Sir Athelstan Caröe (UK) has retired from the presidency, and the Board of the EEC Savings Banks Group. He has been succeeded as president by Mr. Steen Madsen (Denmark), and as the UK member of the Board by Lord Coleridge, chairman of the South West Trustee Savings Bank. Dr. Helmut Geiger (Germany) and Mr. L. Cavini (Italy) have been re-elected vice presidents of the group; and Mr. L. Aerts (Belgium) has been elected treasurer in succession to Mr Madsen. The offices are held for three years.

JAMES CAR DELIVERIES, a Toleman Group company, announces the appointment of Mr. Adrian R. Sellers as market*ing director. Formerly a director* of TKM Credit Corporation Mr. Sellers will commence his duties in January. Mr. W. J. R. Warren, who is vacating the position of marketing director, will continue *in* a new appointment as commercial director.

*

Mr. Dennis H. Humphries has been appointed sales director of *JEGS ELECTRICAL based at the* company's head office at Southend. For the past three years he has been managing director of the UK operation of Pro Hardware Inc. of America, said to be *the largest franchised chain of* independent hardware retailers in the world.

*

DANA ENGINEERING announce *the following executive appoint*ments— Mr. Rayond Alden to become director of after market distribution; Mr. C. G. Dummer to be director of planning; Mr. Chris Dumbell to be director of international liaison; Mr. Brian Smith to be group treasurer; Mr. Richard Glowacki to be group controller; and Mr. Brian Daughtrey to be legal adviser.

*

Mr. Stuart V. Jupp has been appointed a director of HARRINGTON AUSTIN, insurance brokers.

*

*

Mr. T. S. Corrigan has been installed as Master of the WORSHIPFUL COMPANY OF MAKERS OF PLAYING CARDS for the ensuing year. The company is *celebrating the 350th anniversary of the granting by King Charles I in 1628 of their Royal Charter.* Mr. Corrigan is chairman and managing director of Inveresk Group and immediate past president of the British Paper and Board Industry Federation. Inveresk are the sole producers in the UK of playing card board.

*

RONEO VICKERS, the office equipment group, announces the appointment of Mr. Colin Bennett as personnel director UK and a member of the UK executive committee. He joined Roneo Vickers in 1973 from the parent company, Vickers.

End of strike will ease copper tube shortage

BY COLLEEN TOOMEY

THE NATIONWIDE shortage of copper pipe which has stricken building merchants, plumbers and central heating contractors to say nothing of consumers, will be alleviated after the announcement last night by a big supplier, Wednesbury Tube, that work would resume today after a month-long strike.

Wednesbury Tube, a Glynwed subsidiary which supplies about 40 per cent of the home market with copper tube, *announced it* would be giving its 1,000 striking workers a 5 per cent cash offer, in accordance with Government guidelines, as well as a productivity deal.

The Wednesbury strike had a serious impact on copper tube supplies, but the shortage has also been exacerbated by Government mortgage policy.

The position for many companies needing copper tube has been bleak. Many have been forced to lay off workers, and small operators have expressed *fears that if the strike continued,* they would be forced to close.

There have been reports of a black market in copper tube involving inflated prices and alleged stockpiling by local authorities and other big organisatons.

Yorkshire Imperial Metals, a subsidiary of IMI, which is Britain's *largest supplier*, said that the shortage had caught most producers by surprise. Although an increase in demand for central heating, which takes large sup*plies of copper tube, had been* anticipated by Yorkshire by a 10 per cent production increase, the boom in central heating was considerably greater.

The copper tube industry has increased output by about 20 per cent in the last 10 months, but the extra demand has been even greater.

Consumer demand for cheaper solid and gas fuelled central heating systems had also played a big part in increasing orders for copper tube.

Many companies, including the Gas Board, have been taking supplies from abroad.

LABOUR NEWS

Post Office in joint pay plea with union

BY PHILIP BASSETT, LABOUR STAFF

THE POST OFFICE and the Union of Post Office Workers have joined forces to press the Government to make the union's 200,000 members a special case for a pay settlement in excess of the 5 per cent guideline.

Support from such large public sector employers for *special* case classification, which Ministers are determined to restrict to only a very few groups, could prove extremely embarrassing for the Government.

Only plumbers and pipe fitters so far have managed to achieve such a deal.

The Post Office is also indicat*ing support of full* consolidation of previous pay policy supplements, one of the central planks of the union's 24.4 per cent pay claim.

The cost of full consolidation alone, if agreed, would amount to more than the Government guideline. A special conference of the union on pay backed the *claim yesterday.*

Initially, the joint approach is to be made in a confidential letter, drafted this week, from Mr. Kenneth Young, industrial relations member of the Post Office Board, to Mr. Eric Varley, Industry Secretary. Mr. Tom Jackson, the union's general secretary, has agreed the letter's terms.

Consolidation is the central argument in the joint case. The issue has created deep resentment in the union because of the job's difficult and unsocial hours, including *shift*, and weekend working.

The union feels that overtime rates for this work are inadequate because pay policy supple*ments* have not been consolidated into the basic rate on which overtime payments are based.

The letter says that "UPW grades do appear to be unique" in having unconsolidated supplements from Phase One and Phase two of the current incomes policy and an unconsolidated 7 per cent threshold payment from 1975 still outstanding.

The cost of consolidating all the supplements would be £43,987,000, or 5.7 per cent of the UPW pay bill. It would give a consolidated hourly basic rate of £1.31. The current hourly basic rate for overtime is £1.05.

The submission says that un*social* hours and poor overtime payments have been main factors in the Post Office's problems of recruiting staff and providing an "acceptable" quality of service.

The letter also says that postmen have slipped in the pay league, from 92.7p per hour in 1974-75 to 104.89p per hour in 1977-78—a 13.15 per cent increase but a fall of 12.9 per cent against *the top level of pay of compar*able outside jobs.

Hospital ancillary staff reject 5%

BY PAULINE CLARK, LABOUR STAFF

UNION representatives of Britain's 250,000 hospital ancillary workers yesterday rejected "out of hand" a 5 per cent pay offer.

The union's reaction to the offer indicates a determination to embark on a major confrontation with the Government over its 5 per cent pay policy.

The National Union of Public Employees, one of the four unions covering the ancillary workers section of the National Health Service, has already reported that a vast majority of its branches has completed detailed contingency plans for industrial action over this year's wages round.

The workers include hospital porters, ward orderlies and catering staff. The union wants to see action co-ordinated with other public sector workers to affect 1.5m local authorities staff operating water and other services.

The union side of the ancillary workers' Whitley Council has submitted a package claim amounting to about 40 per cent including a demand for a £60 minimum wage. The employers maintain that if the claim were met in full it would mean a 75 per cent increase in the total wage bill.

Yesterday's offer was said to amount to exactly 5 per cent of the present wage bill and was made in the form of supplementary payments which could not be consolidated into basic rates. As "non-enhanceable" increases, they would not count, for instance, in calculation of overtime or shift payments.

The supplements offered range from £2.10 for the lowest paid to £6.46 for the highest—a range designed to restore 1974 differentials.

The unions are angered by what they see as a failure to tackle the problem of low pay in the sector. The total offer brings the lowest paid on a £32.20 a week basic wage up to exactly the Government minimum of £44.50.

Basic pay at present for ancillary workers at the higher levels is said to be around £48.10 a week.

Transport union wants more talks with MPs

BY OUR LABOUR STAFF

THE 2M STRONG Transport and General Workers' Union is hoping to increase greatly its political influence with the Labour Party under a plan to extend its contacts with sponsored *politicians* at national and local level.

An executive decision to set up special machinery to enable the union to meet its sponsored MPs at monthly intervals rather than just once a year as at present was disclosed yesterday by Mr. Moss Evans, general secretary.

Meetings would be arranged regularly for union political research representatives and executive officers with an *ad hoc* committee to be elected by the union's 26 sponsored MPs.

The union is to appoint one of its staff with a special responsibility for supplying MPs with details of union policy on issues affecting its members as they arise in Parliament.

Mr. Evans said that he believed it was equally important to maintain contact with local and regional politicians and to increase influence with Labour controlled local authorities.

He emphasised that, in spite of disagreement with the Labour Government on certain issues such as pay restraint, the union was prepared to give the maximum practical help to keep the Government in power.

The executive had decided to seek the advice of its MPs on sponsorship of candidates to the Welsh and Scottish Assemblies, but no decision had yet been taken on support for politicians in the European elections.

North Sea oil platform men win recognition

FINANCIAL TIMES REPORTER

THE FIRST limited union-recognition agreement covering oil company production platform personnel in the North Sea has been signed, it was revealed in Aberdeen yesterday.

The development was hailed by Mr. Bill Reid, chairman of the Aberdeen Inter-Union Offshore Oil Committee, as a breakthrough in the four-year campaign to bring unions on to production *platforms*.

The agreement covers 75 production workers on the Occidental Paper platform and will grant the union involved, the Association of Scientific, Technical and Managerial Staffs, rights to represent company employees on disciplinary and grievance matters.

Full negotiating rights to discuss salaries will only be granted by the company when the union has signed up a majority of workers on both the Piper and neighbouring Claymore platforms.

Mr. Reid, Aberdeen district *secretary of the Transport and* General Workers' Union, said: "Every step forward must be regarded as a breakthrough towards our objective, which is the unionisation of all installations offshore."

Singer talks on 2,000 jobs

BY RAY PERMAN, SCOTTISH CORRESPONDENT

FULL-TIME union officials met senior management late yesterday to discuss the future of Singer's UK manufacturing plant at Clydebank, where more than 2,000 jobs are threatened. Talks were expected to last several hours.

The company agreed last week to go some way towards meeting recommendations put forward in a consultant's report commissioned by shop stewards, so retaining some industrial sewing-machine production at the plant, saving 335 jobs. Implementing the full recommendation would preserve 750 jobs.

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THE WEEK IN THE MARKETS

Still below 500 level

THE MARKET has promised much this week but in the end it has achieved little. On a couple of occasions equities looked to be gaining sufficient momentum to break the 500 barrier but each time the forward movement soon petered out. After starting the week with a 3.5 point jump in the Financial Times Industrial Ordinary Index, business dropped to a minimum on Tuesday with the EMS decision causing some late uncertainty.

After this equities again pressed forward until the trend was checked by the disappointing results from GEC on Thursday afternoon; a 4.5 point rise at 2 pm was turned into a 0.3 fall by the close. Even new time buying ahead of the extended account was extremely thin as the market closed on an uninspiring note.

LONDON

ONLOOKER

The market disappointment in GEC's *half time* figures was understandable. Underlying operating profits expanded by only 15 per cent and at the pre-tax level the 12¼ per cent increase to 162.9m fell short of the City's hopes which ranged from £165m to £175m. One reason for the disappointment was lower contribution from investment income, down £4m to £18.8m. Although the overall result was solid enough, it could not stop the shares tumbling on *Thursday afternoon*. In the morning the price had gained 9p to 349p, but once the figures were posted in the market the shares swiftly moved into reverse and closed the day at 332p.

The breakdown of the various divisions shows where GEC found an uphill struggle. The heavy end of the transformer and switchgear business, for example, was tough going and the combined contribution to earnings from the engineering and industrial divisions fell from 39 to 35 per cent. In contrast consumer products saw some recovery but the real excitment came from electronics and telecommunications. Sales there shot up by 28 per cent to £385m, accounting for 37 per cent of group total, and its latest bid tactics point to this as the area where GEC wants to extend its commitment.

Last month came an agreed £52m bid for U.S. office equipment group, A. B. Dick. GEC is adopting the strategy of merging traditional office equipment with modern telecommunication and computer techniques. The same basic theory lies behind the possible £83m bid for Avery, the UK weighing machine company, though Avery is already well up with new technology in its field. These moves tend to knock the old market argument that GEC is sitting on a cash mountain — £624m last September—without having anywhere to invest it.

Eyes on Plessey

Plessey didn't exactly please the pundits but for once the company matched most people's expectations. On the other hand Tuesday's modest 9 per cent increase in second quarter pre-tax *profits did little to improve the* group's more recent record of dull growth. Admittedly exchange rate movements were unhelpful and with the electronics side now looking much more exciting the problems at Garrard, if as yet unresolved, at least appear to be more firmly under control.

Such developments however, are unlikely to divert the City's attention from Plessey's still vulnerable position as one of the less successful independents in the important electronics sector.

And Racal's renewed interest last week in Plessey's electronics systems side with GEC's moves to acquire the group's semi conductor interest revived speculation in some quarters of a full takeover bid. Most analysts feel this is not on the cards.

Certainly Plessey's appetite for cash and recent management defections cast a few doubts over the company's long term future. The once highly profitable telecommunications side, for example, is still being held back by the need for rationalisation and rapid technological change while the now successful electronic systems business needs capital to keep up with the sector's product advances.

Plessey this week declared its aim of staying in the telecommunications and electronics business. But there is still a widespread view that it lacks an adequate capital base and cash flow. So there is still talk of a Government-inspired reorganisation of the telecommunications industry, either where a new company is formed or one of the other manufacturers is given a helping hand to rationalise the industry.

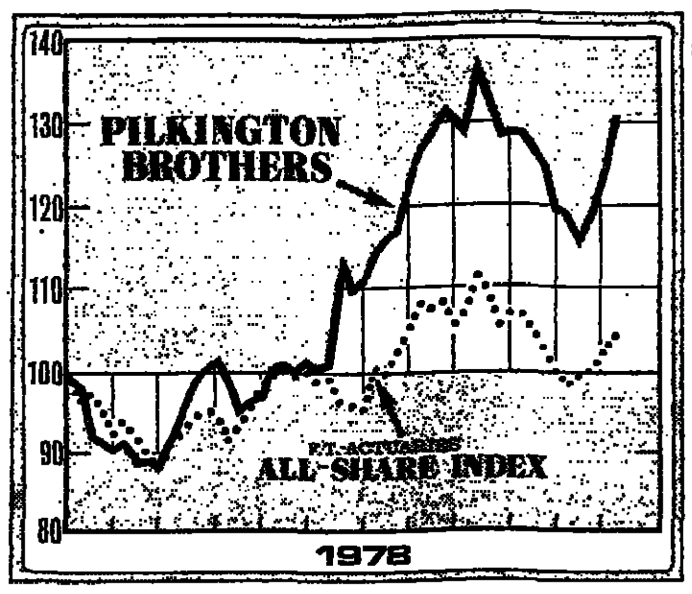
Meanwhile, analysts are expecting Plessey's full year profits to work out at just under £50m.

Pilkington shines

Pilkington Bros. produced figures on Wednesday that were not only good in themselves—first-half pre-tax profits rose 47 per cent to £43.4m—but encouraging for the future, inasmuch as the group's investment strategy seems to be paying off. Pilkington's very heavy capital investment abroad is now producing dividends as its subsidiaries in Scandinavia and South Africa move into profit: overseas trading profit *rose to £10.6m in this half-year* from £6.9m. Licensing income is holding up well.

In the UK, with the optical division depressed at the moment, the home improvement sector has been a very strong source of demand, particularly for glass fibre insulation and flat glass for *double glazing. The maintenance* of this demand at a high level compensates for the uncertain prospects for car manufacturing and new construction business.

The dividend cover rule suggests Pilkington may be able to raise its total pay-out by more than the usual 10 per cent; as a pointer, the interim has been put up by almost 15 per cent. But even a 15 per cent total rise would leave the yield at little over 3 per cent. The shares advanced from 306p to well over 320p after the results were announced but slipped back to 313p by Thursday evening. Over the year, the shares have consistently out performed the market.



Swan reorganisation

Swan Hunter finally unveiled on Monday the terms of its capital reconstruction which includes the payment of at least £23.9m cash to shareholders. Not everybody, however, was entirely happy with the deal. *Some thought that the cash payment* could have been higher and the shares have slipped 9p on the week.

Shareholders are offered a minimum cash payment of 130p plus one share in a new company—Gosforth Industrial Holdings—for every one Swan *Hunter share now held.* Gosforth is to take over the remaining Swan business interests following the nationalisation of its shipbuilding interests last year.

Under the proposals the new company will have net tangible assets of 7.1m including bank balances of £3.7m. However *there have been some complaints* that Gosforth is keeping to much back—at the expense of a larger cash distribution. The decision to write down the loss making Smiths Shiprepairer's book value from £3.24m to just £1—to create a provision against further losses — has also prompted criticism.

However, these complaints seem unlikely to develop into a full scale revolt. An informal meeting this week of some of the more prominent institutional shareholders of Swan decided that this kind of action would not be in their best interests. These would be better served by striving to assure the best price possible for Gosforth shares when they come to the market.

This group of about six merchant banks, pension funds and investment trusts, have prepared some proposals which they believe would help Gosforth's rating. A bigger dividend *payment than that promised* this week might be one suggestion.

TOP PERFORMING SECTORS IN FOUR WEEKS FROM NOV. 9.

	% Change
Insurance (Life)	+11.3
Insurance (Composite)	+10.5
Hire Purchase	+ 9.8
Tobaccos	+ 9.7
Lt. Electronics, Radio, TV	+ 9.3
Entertainment, Catering	+ 8.9
All-Share Index	+ 6.0

MARKET HIGHLIGHTS OF THE WEEK

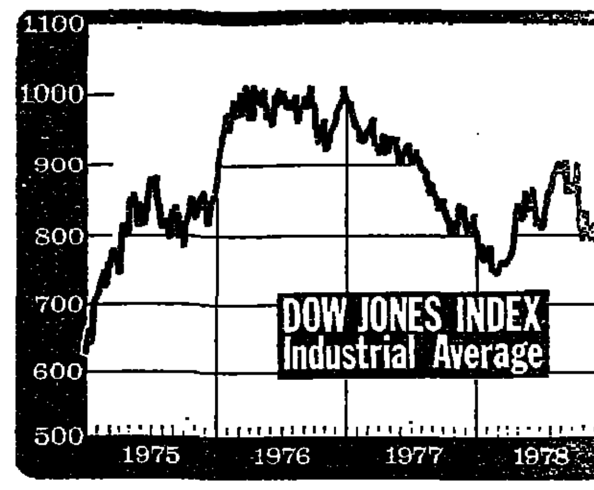
	Price Y'day	Change on Week	1978 High	1978 Low	
Ind. Ord. Index	493.3	+ 7.0	535.5	433.4	Investment interest revives
Gold Mines Index	134.4	+ 9.6	206.6	124.1	Steadiness of bullion price
A. B. Electronic	163	+16	163	85	Govt. boost for micro-chip ind.
Allied Irish Banks	197	−11	239	150	Ireland's EMS decision
Burnett & Hallamshire	205	+17	221	153	Pleasing interim results
Cartiers	118	+10	119	71	Revived investment demand
Causton (Sir Joseph)	26	+ 4	27	15	More-than-doubled profits
E.R.F.	137	+12	140	69½	Speculative demand
Gus A	314	+ 8	340	256	*Better-than-expected int. figs.*
Hampton Areas	157	+17	157	81	Possible bid from Col. Mutual
Highland Distilleries	168	+13	170	127	Seasonal influences
ICI	380	+ 8	421	328	Revived investment demand
Ladbroke	183	+13	215	154	Substantially higher profits forecast
MFI Furniture	174	+17	177	54	Bid hopes
Pilkington	310	+ 8	328	211	Better-than-expected int. figs.
Rustenburg Platinum	96	+11	117	70	Revived investment interest
Saga Holidays	172	+13	185	115	Holiday bookings boom
Stonehill	125	+11	125	85	Higher first-half profits
Sungei Besi	235	+35	240	134	Better-than-expected int. dividend
Swan Hunter	150	− 9	160	125	Reconstruction plans disappoint

U.K. INDICES

Average week to	Dec. 8	Dec. 1	Nov. 24
FINANCIAL TIMES			
Govt. Secs.	68.87	68.52	68.17
Fixed Interest	70.20	69.95	69.64
Indust. Ord.	490.9	486.3	475.5
Gold Mines	128.5	125.7	132.8
Do (Ex $ Pm)	94.9	94.3	96.8
Dealings mkd.	4,380	4,248	4,218
FT ACTUARIES			
Capital Gds.	239.88	235.13	228.19
Consumer (Durable)	211.15	207.00	201.38
Cons. (Non-Durable)	212.59	209.84	205.9
Ind. Group	223.05	219.56	214.54
500-Share	248.26	244.90	239.50
Financial Gp.	171.70	168.12	162.61
All-Share	227.19	223.89	218.70
Red. Debs.	55.13	55.17	55.17

Still overshadowed by fears of inflation

LACKING a guiding star to point the way ahead the Stock Market has limped aimlessly this way and that over the past week, undermining hopes of an imminent and uplifting Christmas rally.



The dollar, which has for some months given the bears a signal to cue off, has been neither really strong, nor particularly week. Interest rates have not been rising strongly as they did through November, nor have they eased convincingly: The money supply has showed signs of slowing but those statistics are seen as potentially false prophets now that the Central Bank has thoroughly confused the market by establishing a new bench mark—"M1-plus." Now it is the monetary base which has to be watched, and that is an indicator the Fed does not neatly package and publish each Thursday.

The broader economic statistics are not much help either. It is bad enough that the forecasters are not too sure whether there will be a recession or the modest 2-3 per cent growth the Carter Administration predicts for 1979. Worse, even if they could be sure investors cannot make up their minds whether growth or recession will be better for shares. Growth could imply inflation, a weak-kneed Federal Reserve, and a floppy dollar again. But history provides no reassurance that Wall Street should warmly embrace recession either.

Meanwhile the statistics that are appearing still seem to suggest that the forecasters who question an early recession hold most of the ammunition to back up their arguments. November's unemployment rate was unchanged, car sales remained fairly strong thanks to General Motor's dominant position, and consumer credit advances, while *slowing, are certainly not* yet suggesting that higher interest rates have begun to bite into demand for loans. In California there was even a strong surge in new housing starts in the month.

NEW YORK

STEWART FLEMING

The only unblinking pointer into the future remains the disturbing rate of inflation. Producer prices climbed at an annual rate of 9.6 per cent last month suggesting that the near double digit rate of inflation implied in earlier fourth quarter indicators will in fact prove accurate.

Within this overall figure was buried a slowing of food price increases, supposedly the most troubling element in the inflation picture. But this was more than offset by quickening price rises elsewhere. Perhaps companies are deciding that they might as well take the price rises they are allowed under the Administrations' guidelines *while the going is good.*

Meanwhile those guidelines are beginning to look flimsier on the wages side at the same time as the Administration is looking for ways to toughen up the prices and profit margin side. Wall Street should not raise a cheer at the idea of profit controls which is now surfacing from the recesses of the White House.

No wonder therefore that trading volume has been slow and institutions wary. Unless the picture brightens next week investors and dealers may decide that at the end of 1978 they need a longer than normal holiday.

CLOSING INDICES

Monday	806.83	− 4.67
Tuesday	820.51	+13.68
Wednesday	821.90	+ 1.39
Thursday	816.09	− 5.81
Friday	811.85	− 4.24

Hyatt hotel group deal

THE SECURITIES and Exchange Commission said Hyatt Corporation signed a consent order agreeing that a proposed sale of its publicly-owned stock to the Pritzker family, the majority holders, will not become effective unless approved by a majority of the other shareholders.

The company signed the order after the SEC filed administrative procedings alleging incomplete disclosure of certain transactions. Hyatt consented to an official entry of the SEC findings without admitting or denying the allegations.

Early last month Saudi Arabian financiers under Mr. Ghaith Pharaon offered $31m for the hotel chain which was then equal to $14 a share.

The SEC said the allegations involved three sets of transactions which resulted in tax benefits for the Pritzkers. One involved inadequate disclosure of the circumstances of a $30m loan to Hyatt by the Teamsters Union Central States Pension Fund to build a hotel at Lake Tahoe, Nevada, the SEC said. Reuter

Learning to live happily together

FEW ISSUES in the mining industry are more vexed than the relationship between companies and governments—the more so because it is almost impossible to lay down any set of universal guidelines suitable to both sides and relevant to any particular national situation.

There is a natural ebb and flow as the interests of both sides converge and diverge in one country or another. In Australia, for example, there was convergence as the Fraser Government's anti-inflation policies took effect and as the application of foreign ownership regulations was relaxed.

But there was divergence when the Government sought to impose stricter controls on the export of iron ore, coal, alumina and bauxite. There is nothing the industry likes less than official interference in the negotiation of contracts. Now the first major contract has been signed since the Government announcement and the terms seem to mollify everybody.

That is to say, the terms are probably the best which could be negotiated given the recession in the international steel industry. **Utah Development**, the U.S.-owned coal producer which is Australia's biggest corporate profits earner, has extracted better terms for the sale of 6m tonnes of coal over the next two years to Japanese steel mills than other suppliers.

It will receive U.S.$50.40 (£26) a tonne on average. This is down on the old price of $52, but in practice works out much the same because of a more relaxed Japanese attitude to impurities in the coal. At the same time the Japanese have accepted the principle of price escalation.

The Australian Government sees this as a vindication of its controls policy, especially in view of the fact that earlier contracts signed by the **Thiess-Dampier - Mitsui** consortium carried a price of $48.50 a tonne for the same sort of product on reduced shipments.

Where this leaves relations between the Government and the industry is not clear at this stage, but if the muscle of the Government can help to secure better terms for New South Wales coal producers in negotiations soon to start, then the industry's ideological objections to official supervision might be softened as mutual interests converge.

MINING

PAUL CHEESERIGHT

Australia, however, remains what the industry would consider a secure part of the world for investment. This has not been the case with Chile since the nationalisation of U.S. copper interests in 1969-70. Latterly Chile has been seeking to stem the distrust of the international industry and last year three foreign investment agreements were signed.

One of them was with ***Noranda Mines of Canada*** *and* covered the Andacollo copper deposit where reserves have been put at 277m tonnes grading 0.69 per cent copper. Noranda has been conducting a feasibility study of the deposit, listing options available depending on different levels of market prices.

What is envisaged is a project producing 70,000 tonnes of copper a year. The time for decisions has come and Noranda has until March to make up its mind whether to invest $350m (£180.5m) in a venture where it would hold a 51 per cent stake with **Empresa Nacional de Minera**, the Chilean State mining agency, holding the balance.

Noranda has been keeping up its investment expenditure. This week it disclosed a budget of about C$180m (£78.9m) for *1979, which shows an increase of C$46m on expenditure forecasts for this year.* The group's interests are scattered far and wide but do include part of a joint uranium exploration venture in Saskatchewan.

The pace of uranium discoveries in Saskatchewan suggests that any group with a property, or part of a property, there could be well-placed. The *latest drill results from* **Asamera Oil** confirm the potential of the province as one of the world's major uranium areas.

Assamera is the operator for a consortium which includes the **Saskatchewan Mining Development Corporation** with 50 per cent. What was called "good radioactivity" has been found in 24 of 38 holes drilled, with assay results varying from 2.6 lbs to 33.8 lbs of uranium per ton of ore.

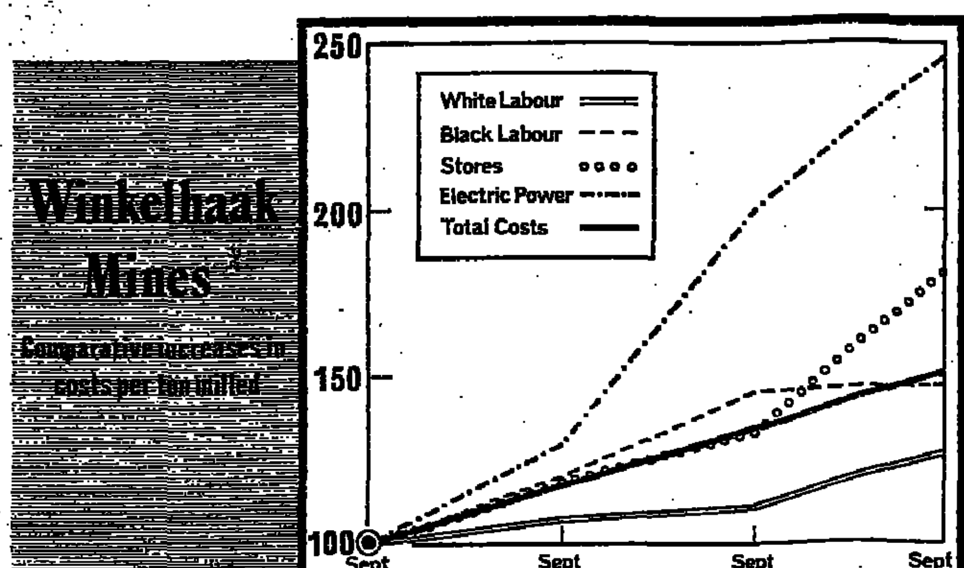
But development of new mines in the province will not be cheap. Canada has shared in the general escalation of capital and mining costs. This week, **Winkelhaak Mines**, the South African gold producer in the **Union Corporation** group, noted that its working costs had increased 18.5 per cent in the year to last September.

Part of the rise has come from increased labour costs. The introduction of an eleven shift fortnight has meant extra recruitment and Winkelhaak complained that "the loss in productivity directly attributable to the elimination of one shift every fortnight has not shown any improvement."

The company is meanwhile seeking to purchase an optioned area to the east of its lease area presently owned by **UC Investments** and **Acacia Mines**. Different financial formulae are still being considered, but once the details are settled it will give the mine an area for longer term expansion if examination of grades is satisfactory.

More immediately Winkelhaak and other gold producers will be closely watching the movements of the bullion price. There is no clear trend apparent and none is likely to emerge until after the market has been tested by the U.S. Treasury's auction of 1.5m ounces of gold on December 19.

The price seems to have settled around $200 an ounce, closing yesterday at $202.375. However, the mines will have drawn some encouragement from this week's International Monetary Fund auction not so much because of the average price of $196.06 but because of the high level of demand.



Giving away a house

BY OUR LEGAL STAFF

I once considered the method you advised under Giving away a house on October 28, but rejected it on the grounds that eventually the donor would transfer such a proportion of his shares as would reduce *him from a majority to a* minority shareholder. As the value of his minority shares would be proportionately lower than his majority holding, the principle of the diminution in value of the donor's estate would come into force and so give rise to a CTT liability. Was I mistaken?

We think that you may be confusing the proposed use of a trust with the position where a company is formed. It is the former which we advised, and it seems to be the latter which you formerly had in mind. The value differences between majority and minority shareholdings in a company would not arise on assignments of interest arising under a trust.

Standing in a pension fund

In spite of several requests my former employers have failed to provide me with information on the standing I have in their pension fund; and this will presumably be *required by my new* employers. Could you advise me as to what I should do?

The best course would be to procure your new employers to seek the information you require. If that cannot be done you should write to the trustees of the Pension Fund and if necessary point out that application will have to be made in the High Court if the relevant information is not supplied.

A refusal to transfer

One of the articles of association of a private company of which I am a director reads "The directors may decline to register any transfer of shares without assigning any reason therefore." Does this mean that a director cannot bequeath his shares to his wife?

The articles do not restrict the transmission of shares to your personal representative, but the directors can refuse to register a *beneficiary, such as the share*holder's widow. If there is no separate provision in the articles for the directors to purchase shares whose transfer is refused (as there often is) the shares would be of little or no value *where the shareholding* is of a minority of the shares.

A technical trespass

In your reply under a technical trespass on October 28 that a closed unlocked gate on a right of way might be an obstruction in some circumstances. Is that so? What about a series of gates? Or a requirement to close it? Both *of these our solicitor states* would be permissible. Can you recommend a book on the subject?

The law is not wholly clear on this subject. Old cases record plaintiffs succeeding simply on the defendant's having erected a gate across the way. More recently the Court of Appeal has said that a gate is not necessarily an interference with a right of way. The better view now seems to be that an unlocked gate would not be unlawful; a locked gate (with keys *supplied) may or may* not be, depending on the facts. We do not agree that a series of gates would not be an obstruction; we take the view that it almost certainly would be. Moreover a requirement to close the gate may *not* be upheld, *as in the* case of *Lister v. Rickard* (196) 113 S.J. 981. Gale on Easements (14th Ed) is the standard text book.

An unforced covenant

Does your reply under an unenforceable covenant (October 21) apply only to unregistered conveyancing? In a situation where the property is registered, the Land Certificate contains details of restrictive covenants (positive) some of which may go back to sales three or four times removed. Can a restrictive covenant continue to be valid or *must it similarly be* repeated each time there is a sale?

While the reply in question related to unregistered conveyancing the position is the same in the case of registered land. A restrictive covenant does not need to be reimposed on each sale. The original covenant will still take effect if it was imposed in such a manner that the burden runs with the covenantors land and the benefit is annexed to the covenantee's land (and that land is owned by the person *now seeking* to enforce the covenant).

Estate left to spouse

To obtain probate where an estate is left by one spouse to the other is it necessary for all the assets to be valued to arrive at the full value of the esate, as would be necessary if CTT were involved?

A probate valuation is required even on an estate left entirely to a spouse: as the probate fee would be dependent on the value.

A clock, or its value

About two years ago an antique shop proprietor offered to get a clock of mine repaired but since then on one excuse or another has not let me have it back. Is he legally obliged either to let me have it or pay its estimated value?

The shopkeeper is obliged to return the clock or its value; but under the modern law can elect for the latter to the exclusion of the former.

Established use claim

It has been pointed out to us, with reference to our reply on October 21 under Established use claim (relating to a caravan) that the possession of an established use certificate does not actually provide exemption from planning permission. The residential use of a caravan requires a licence which cannot be given unless planning consent exists.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Capital gains tax assessment

I recently sold a bungalow, not my home, for £A. It was bought in June 1968 jointly by my wife and self and then let. We separated shortly after this and are now divorced. In 1972 my wife agreed to the transfer of both our home and of the bungalow for the same sum of £x for each property. Could you tell me please how to calculate the amount of capital gains tax due? I should be glad to know also the Acts *or regulations which are* relevant to the problem.

Do you know any details of the CGT assessment made on your ex wife for 1972-73, or can you find out? *If so*, the *calculation* should be fairly straightforward, as follows:

Consideration for disposal in 1978-79...	£A
less: Incidental expenses of disposal	£B
Consideration for acquisition of half-interest in 1968-1969	£C
Incidental expenses of that acquisition	£D
Figure agreed with your ex-wife's tax inspector as the deemed consideration for the disposal of her half-interest to you, for her 1972-1973 CGT assessment	£E
Incidental expenses of your acquisition of her half-interest in 1972-73	£F
Chargeable gain for *1978-79*	£

If you do not know, and cannot conveniently find out, anything about the chargeable gain (or restricted loss) which was deemed to accrue to your ex-wife in 1972-73, your own tax inspector will doubtless make the necessary inquiries and tell you the figure which she agreed *with her inspector.*

The relevant legislation in relation to the transaction in 1972-73 is:

Finance Act 1965
section 22, subsections 4 and 8: schedule 7, paragraphs 17(2) and 21(2):

Capital Gains Tax Regulations 1967 (SI196/149)
regulations 8, 11, 12, 13 and 16.

The figure in question (£E) will be the open-market value of your ex-wife's half-interest at the time of the contract in 1972-1973, having regard to the sitting tenants' rights and obligations.

We have assumed that the property was acquired by you and your ex-wife as tenants in common, in 1968, but there is unlikely to be any significant difference if you in fact acquired it as joint tenants (and the joint tenancy was subsequently converted to a *tenancy* in common, by notice of severance).

The practical way, or pragmatism a la mode

EDUCATION

MICHAEL DIXON

IT IS sad but true that if you want to infuriate educators in this country, you do not scorn their academic work or scoff at their lofty ideals. You simply stand between them and their supplies of taxpayers' money.

One therefore need not look far for the main cause of the State education system's burgeoning interest in furnishing more practical studies. Education has lately been limited to less money than it had expected. Meanwhile the Manpower Services Commission, *with its interest in the formerly* déclassé activity of training, has grown richer and richer.

Since the system has deduced a connection between those two *phenomena*, and is gesturing accordingly, it may be that the educators' own education was not altogether impractical, after all. Sadly, however, there remains a danger that the rising enthusiasm for more practical education might once again send the £8bn-a-year system wandering in circles still in the daydream of the 1960s when education was believed, not *least* by itself, to be capable of anything.

The concomitant blindness to the possibility of technical limitations has prevented the education industry from modelling itself on the manufacturing sector, whose future needs of manpower are now our educators' *purported concern*. The impulse behind their newly revealed pragmatism is not a decision to examine their resources so as to determine what might be taught successfully, and what might not. The object is instead to remove the current financial obstacle *to the system's* further expansion, and in pursuit of that aim, education seems to be assuming the character of the fashion industry.

The mode of the last decade, as the country apparently basked in belief that its wealth would thenceforth expand automatically, was education for social responsibility. Swiftly the system was decked with "socially relevant" studies often stemming more from research-buttressed justifications of worthy opinions than from rigorously tested refinements of sceptical hypotheses. Subjects demanding disciplined and development of the skills of reading, writing, numbering and —more *fundamental* still— reasoning, either shrank or had durable old threads cut away so as to permit competitively *fashionable trimmings.*

Yet somehow education for social responsibility has not prevented the increase of the opposite kind of behaviour, not least among youngsters whose schooling was definitely *a la mode*. On the other hand, the late unlamented fashion may well have contributed positively to a prominence of university undergraduates whose suitability for "being taught to think" at the age of around 20 is hardly corroborated by their inability to construct logical written sentences, let alone to spell correctly.

This might mean that everything which it is desirable for youngsters to learn, is not yet within formal education's capability of teaching effectively. Perhaps in striving for expansion, educators have neglected essentials. The snark of studies relevant to changeable contemporary concerns may really be an illogical, semi-literate, nonnumerate, politically gullible boojum.

But such questions, and the need for re-concentration on academic rigour they might imply, are being ignored in the education system's anxiety to woo the taxpayer with the new panacea of education for industrial revival.

True, some good might come of the system's ceasing to imbue youngsters with a distorted view *of* industry usually based on teachers' memories of what they were taught about the *mid-19th*-century. As for any positive benefit, however . . . well, if industrially *relevant* studies in academic institutions contribute to *industrial revival* as socially relevant studies have evidently contributed to social responsibility, then pity help us all.

On the death of the policyholder

INSURANCE

JOHN PHILIP

LAST WEEK on my homebound train I met an old friend and near neighbour. It was a difficult and sad occasion, for her husband had died a few days previously after some months of ill health and this was our first encounter since. When we got off the train I was *offered a lift home from the* station and it was not until we were on the road out of the carpark that I thought to ask "have you got the car insured in your own name?"

Perhaps not surprisingly I got the answer "I have not got round to it yet" and then had the *follow-up* question "Does it matter anyway"? The upshot was that I spent a while later in the evening explaining what should be done to put motor, house and other insurances in order.

All such policies are personal to the policyholder and strictly, unless insurers make some special *provision for* their continuance in the event of a policyholder's death, cover lapses with the death of the policyholder. In practice insurers have to reckon to go on providing cover, for the deceased policyholder's wife or other dependants, certainly for a few days while affairs are sorted out, perhaps even for a few weeks, and for the most part claims that arise in that period before insurers are notified are handled as though the policyholder was still alive. But it is better not to let time run on too long and most advisable to ask insurers as soon as possible to transfer the insurances to widow, executor, son or whoever, as the particular family circumstances dictate.

Of all insurances, because of the legal technicalities, motor insurance poses the greatest problems and insurers should be told of the death of the policyholder as soon as possible because there may be substantial change of risk thereafter.

In many cases a family car owned by the husband and insured in his name is insured only to permit husband and wife to drive. The wife's right to drive and to enjoy the protection of the insurance derives from the permission given her by the policyholder, her husband. Logically it is sensible to assume that when someone dies any authority or permission given by him dies with him. But there is a decision of the House of Lords some years ago — Kelly v Cornhill — in a dispute arising on a motor policy issued in Scotland, which suggests that if the policyholder gives his wife or some other relative permission to drive the car during his lifetime, that this permission continues for some undefined period of time, so that insurers have an open-ended, uncertain, obligation, perhaps until renewal, and perhaps even thereafter, if they renew in ignorance of the policyholder's death.

A curious legal decision, and not one, I think, to rely upon implicitly. But whatever motor insurance protection the widow may have because of that decision, unless and until the widow notifies insurers and gets the insurance in her own name and becomes the policyholder, she is not in a position to authorise or permit anyone else to drive the car and enjoy the protection of the insurance. So particularly if the insurance has been restricted say to husband and wife, it is necessary to get the change of interest noted if the widow wants son or daughter or someone else to drive.

> Unfortunate as it might be, a widow may be in no position to give permission to a friend to drive the *family car*

Where there is no real change of risk in underwriting terms, insurers will normally issue an endorsement and a new certificate. But if new drivers are introduced, they may well take the opportunity to review the risk and alter cover and premium, depending on such drivers' record and experience.

Turning now to house insurance, in the short term the death of the policyholder makes virtually no difference to the risk and insurers on notifications normally endorse the policy in favour of the widow or executor and then await events. Because modern home contents policies give cover to a wide range of people included within such phrases as the "policyholder's family" or perhaps the "policyholder's household" it may seem that there is little to be done. These phrases are of course defined in the policy and *they have to* be watched carefully if there is some permanent change made in the nature of the occupancy of the home.

Suppose after the husband's death the widow gets a friend, even a paid companion to live with her.

If cover is restricted to the "policyholder's family" such a person is almost certain to be outside the definition insurers provide, and so insurers have to be told of her presence before cover can apply in respect of her possessions: depending on the underwriting attitude of the particular insurers, they may exclude the theft risk in such circumstances, except where theft follows violent and forcible entry.

Insurers tend to take a rather stricter view of the transfer of "all risks" policies, because of the greater physical and moral hazard inherent in their evaluation. However, in normal course the family "all risks" policy on jewellery and similar valuables can be transferred simply on request and without extra premium being paid. But unlike home policies, "all risks" insurances do not cover the policyholder's family or the policyholder's household, and such all risks insurances are normally strictly personal to the policyholder. So if on the death of the poicyholder, any property insured "all risks" is to be dispersed among the family, it is then necessary for each new *owner to make his or her own* insurance arrangements.

YOUR SAVINGS AND INVESTMENTS 1

Companies are playing a wait-and-see game over the new rules for profit-sharing schemes for employees. **Martin Taylor** examines the position

Biting the new carrot

FROM NEXT April when the 1979/80 tax year begins British companies will be able to allocate shares to their employees under profit-sharing schemes that will be exempt from pay policy restrictions and will have significant tax advantages There is not much sign that they are falling over themselves to do so

Present City estimates suggest that around 200 firms are seriously considering a scheme under the terms of the 1978 Finance Act, into which the Liberal Party forced tax concessions for profit-sharing A number of these companies are already operating share option schemes and are studying the possibility of a switch into the new system; and some, among them the House of Fraser and Foster Brothers stores groups, were already planning to start a scheme before the Finance Act and have since been revising their plans to fit the new rules. Only a few are starting from scratch as a result of the new Act.

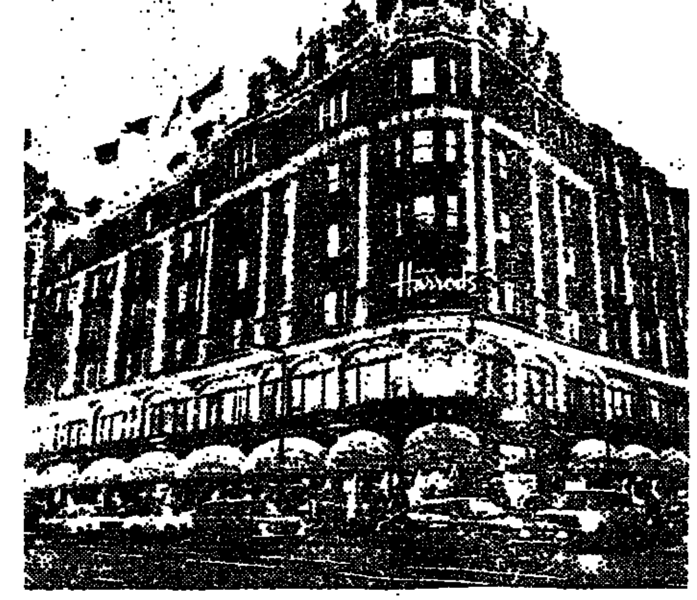
Employees will have no income tax liability on shares issued under the schemes—up to *an individual maximum of £500* a year—if they hold them for 10 years. To get any tax concessions at all the shares must be held for at least five years; tax is payable on half of any disposal made between five and seven years and on a quarter between seven and 10 Under guidelines issued by the major investing institutions — insurance companies and pension funds — companies should not issue new shares equivalent to more than 1 per cent of outstanding equity in any year. If a company's profits are so high that it needs more shares to distribute to its employees, it must buy them in the market as trustee for its employees.

The schemes need to be approved by shareholders and the Inland Revenue. Predictably, the Revenue is likely to look at them far more closely than the shareholders will. The tax authorities are concerned to make sure that every scheme is entirely equitable and that the formula on which the individual's share bonus is based is clearly defined and acceptable. Typically the formula would *take a proportion of profits—up to a 5 per cent maximum—and* they will be distributed according to wage levels and/ or years of service. Foster Brothers says its scheme, which takes value added and employee costs into account as well as profit, is on the point of being approved by the Revenue, and a few others may go through before Christmas.

Many firms seem to have been put off by the complications of setting up and administering profit-sharing plans, and there is a general feeling that companies are waiting to see how the present pay guidelines fare before committing themselves.

Some companies feel the 10-year period before full tax exemption can be realised is so long that it is hard to get excited about the incentive aspects of the scheme. But others which are going ahead with profit-sharing hope that a future government, now that the principle of tax exemption has been conceded, may trim this period back to five years.

Backers of the share schemes are not expecting any opposition from existing shareholders. They point out that the small dilution of equity brought about by the issue of new shares is a negligible price to pay for the better profit performance which it could produce. A company producing good profits when the stock market is weak will be forced to purchase its own shares in the market because the market value of a 1 per cent rise in issued capital will not be enough to satisfy the *requirements of the profit-sharing scheme*; this would give some support to the shares. When the time came for the employees to sell their shares the trustees would try to batch the small amounts together and place them with an institution in the least disruptive way possible.



Harrods: among the first ?

House of Fraser employees are already qualifying for profit-sharing in their 1978-79 financial year, although no shares will be allocated until next May. The company says its workers have expressed a good deal of interest—presumably this will sharpen when the first bonus is declared. Those who are already *sceptical about "productivity"* deals will be sceptical about the incentive value of profit-sharing and will not be expecting unusually good results from the firms that operate it. But there may come a day when a man looking for a job expects to be offered profit-sharing as he now expects a pension.

Abbey's different road to Gilts

UNIT TRUSTS

EAMONN FINGLETON

THE MOST intriguing unit trust launch of the year must be Abbey Life's new gilt fund.

Abbey is very much insurance-oriented and it does not yet have a single premium insurance bond investing in gilts. Single premium bonds are the tried and tested way into high-yield gilts for anyone running a managed fund (because of a more favourable taxposition on income)—so why has Abbey chosen the unit trust route instead ?

Abbey says it is planning to make the most of the unique *opportunities the gilts market* affords for converting income into capital gains. The unit trust will be British-based which means that it will have to pay full corporation tax—at 52 per cent—on income, compared to only 37½ per cent applicable *in the case of an investment* bond specialising in gilts. Most recently-launched gilt unit trusts are based outside Britain to avoid corporation tax.

Abbey's idea is to buy a security after its interest payment has been assigned to the *current holder—and then sell* again just before the next payment. In a world of unchanging interest rates, the value of a gilt should rise gradually twice a year as it becomes pregnant with the half-yearly interest payment. The rise in the value of the gilt will—other things being equal—be almost as much as the gross amount of the interest due. By selling before the interest becomes payable, Abbey will take interest as capital gains—which will, when the transition to new rates has been completed, be subjected to the new preferential capital gains tax rate of only 10 per cent within the fund. In the hands of most investors, the rise in the unit price will be free of capital gains tax under favourable new arrangements for taxing individuals' capital gains.

Abbey is also hoping to bolster the capital performance of the units by taking a view on the direction of interest rates. This is a difficult and chancy exercise but it will serve to obscure the extent to which capital gains are due — the fattening up of gilts prior to interest payments — and so will be a useful figleaf for Abbey as far as the Inland Revenue is concerned (tax inspectors strongly disapprove of individuals regularly using in-and-out tactics for turning gilt income into capital gains).

The overall bias of the trust, however, is clear from the projected gross yield—just 3½ per cent.

The only similar capital gains type gilt fund was launched two years ago by the Target group. So far it has pulled in just £800,000, a pittance for a group *of Target's size.* Target has been less explicit than Abbey about its investment tactics—but the idea is the same. The conclusion from Target's experience must be that the principles involved are too arcane to catch the eye of the average investor—and too tiresome for the typical insurance broker to explain.

Cynics take the view that Abbey is placing an each-way bet on the possibility of the Government changing the absurd rule that gilt unit trusts based in Britain should pay corporation tax on income. If, for instance, the tax rate was reduced to 33 per cent in the next Budget it would take most of Abbey's competitors months to set up appropriate funds to tap the lucrative new market that would be created for unit trust promoters. The offshore-based funds would be out in the cold because the penalty they pay for their favourable income tax position is that they cannot advertise in Britain.

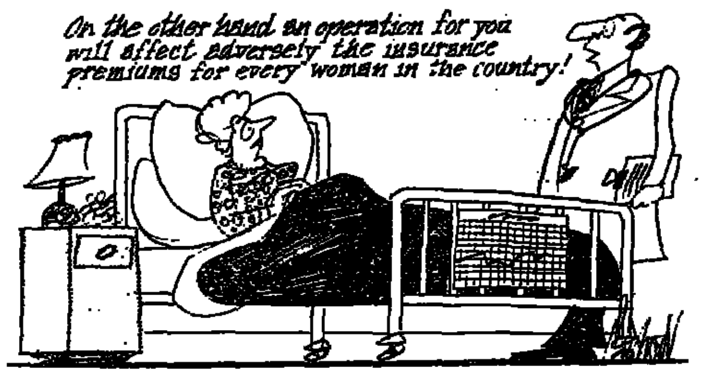
Abbey and Target alone would be in a position to make the most of the new opportunity for they could change the investment stance of their funds overnight.

Are women more prone to illness than men? The question is being hotly debated by insurance experts, reports **Eric Short**

Those strong arguments

WITH ITS new health and accident policy launched this week, Langham Life can claim to be doing something that no other life company has done in Britain—charge the same health insurance premiums for men and women. The scheme will probably please women's libbers—but it is cutting little ice with traditional insurance men.

Actuaries have always maintained that women are more prone to illness and accident than men and so they should pay more for health insurance. This attitude has been kept in face of formidable opposition from women's rights champions—a tribute to the courage or obstinacy of actuaries. Women's libbers claim that actuaries have mixed cause and effect, in that because the premiums for women are higher, only the less healthy women will take out such policies so ensuring that the experience is unfavourable.



Mr. Derek Bond, the Actuary of the Medical Sickness Group, one of the largest insurers in this field, rejects this claim as completely unfounded. And, with experience going back 50 years, Medical Sickness should know what it is talking about.

But Dorothy Genn, the Langham director who launched the new policy this week, is on the side of the "libbers." She says Langham Life has found that there is no difference in sickness rates and so no reason to charge different premium rates. And she would not be able to make such sweeping assertions unless the company's actuary and the actuaries of the company's reassurers agreed with her. Actuaries are not a lot of sheep acting in unison despite opinions to the contrary.

But on analysis, Langham is offering less than it seems. Its rates are a good bargain for women compared with other life companies; but men can get much better terms from many other life companies if they

Dorothy Genn

shop around. The likely result is that only women will take out *Langham's policy. If men can* get better rates elsewhere then it would appear that they are not getting equal treatment from Langham Life.

This latest move by Mrs. Genn will not, I think, cause the general body of actuaries to change their minds on health insurance for women. Only hard evidence in the form of statistics produced by the Continuous Mortality Investigation Committee run by the Institute and Faculty of Actuaries to monitor mortality and health rates will make them do this.

Toys may not be child's play

INVESTMENT

ARNOLD KRANSDORFF

IF YOU CAN persuade your kids not to maltreat their Corgi, Matchbox and Dinky die-cast toys this Christmas, they may have a collectors' item on their hands.

Ken Morris of Beatties, the London toy shop which stocks vintage die-cast toys

Now, some early die-cast cars have a fancy price on their bonnets, and the message from manufacturers is: keep them in *good condition* and don't throw the boxes away.

The market for old die-cast —and *some of the newer* models—is now huge. It has spawned catalogues and magazines, and thousands *of collectors*. At least three times a year collectors bazaars are held at Gloucester, *Windsor*, Bournemouth, London and Fale in Cheshire.

Ray Bush, organiser of the UK Matchbox Club, is himself a serious collector. He stresses that prices vary considerably around the country and are usually higher overseas. A mint condition Royal State Coach of 1950, containing models of the King and Queen now fetches up to about £250, he *said. Its* original price: 15s (75p). A Coronation Coach of 1953 costing 2s 11d *(less than 15p) could* fetch between £40 and £50.

Other examples are: A Y-4 Shand Mason Horsedrawn Fire Engine of 1960, costing 4s 11d (less than 25p) originally, now fetches between £20 and *£50*; a horse-drawn milk float costing 1s 11d (less than 10p) in 1958, £8 to £15; a K-8 Prime Mover and transporter with bulldozer costing 8s (40p) in 1962, around £10; a Y-1 *Allchin traction* engine costing 2s 9d (just under 14p) in 1956, £9 to £12.

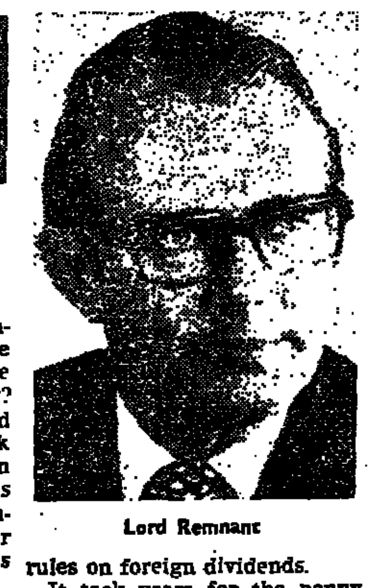
With other makes *the same* story applies. A good quality pre-war Dinky can be worth in excess *of £100 while post-war* models, such as a Guy Van with a Spratts advertisement on the side, *could fetch up to £20.*

Many of the more ordinary models could be worth up to £3 *each, but collectors stress that* they have to be in immaculate condition and, preferably boxed. Few manage to *survive little* Johnnie's playful demands and most people immediately toss away the packaging.

Meanwhile, there is no reason to believe that many current models will not show equal appreciation in value over the years. My long-term investment choice would be last year's model of a silver London bus, manufactured to celebrate the Silver Jubilee. Price: 39p.

However, there is no point in contacting Lesney, the manufacturer. It has discontinued production; so you will just have to rummage through the loft in *the hope* that your son will have spared one.

Money Monitor



Lord Remnant

The tide turns

IS THE INVESTMENT trust industry undergoing a sea change as profound as it did in the wake of the 1965 Finance Act? Tax changes in 1965 signalled the start of a long-term setback for the industry. Changes in tax *and dollar premium rules* this year look like strongly influencing industry's fortunes for *many years to come—but this* time for the better.

Just how significant the recent changes have been was underlined this week by Lord Remnant, who runs the Touche Remnant investment trust management group and is chairman of the Association of Investment Trust Companies.

In 1965, the introduction of capital gains tax, levied at full rate on investment trusts' trading gains, severely cramped the industry's investment style. Meanwhile the industry's income from its large overseas holdings was clobbered by a change in the double taxation rules on foreign dividends.

It took years for the penny to drop with the stock market—but the slow desertion of the industry by private investors began then. And in most of the last 13 years the discount that investment trust shares stand to underlying assets has widened—reaching about 40 per cent two years ago.

Now, the tax rate on capital gains realised within an investment trust portfolio is being reduced to only 10 per cent from next April. This follows the abolition last January of the surrender penalty on sales of dollar premium stocks.

For the first time in 13 years the industry can manage its £7,000m assets without heavy artificial penalties on switching. We could, it seems, see a return to the nimble investment trading which made the industry's reputation in its 1950s heyday.

The industry is, however, left with one major problem it did not have in the 1950s: stock*brokers are now discouraging* clients from putting their money in investment trusts and *directing them instead into unit* trusts. The reason: most stockbrokers now get 3 per cent com*mission on unit trust sales*—and for next to no paperwork. Investment trust deals generate *far less commission for much* more work.

The question for investors now is whether this permanent handicap on the performance of investment trust share prices is so great that the new more favourable dealing position of investment trusts will fail to bring any substantial cut in the current average discount on asset values of about 30 per cent.

Tony Arnaud, a director of Touche Remnant and an author of a book on the industry, points out that the average *underlying investment gain* shown in investment trusts over the 10 years to last *December was a creditable 64* per cent. That compares with a 25 per cent rise in the *FT Industrial Index* and 77 per cent for the All-share. Meanwhile the Standard and Poors Index, the yardstick for measuring the performance of the industry's big proportion of American shares was up just over 1 per cent.

One artificial depressant on investment trust share prices which will soon be lifted is the spate of selling ahead of a coming rise in the capital gains tax rates levied on individual investors cashing in major share holdings in investment trust companies. Anyone who gets out before next April faces a maximum capital gains rate of just 13 per cent compared to 20 per cent afterwards (the increase is the quid pro quo for the reduction of the capital gains rate within the funds). The result has been that investors who think they may want to sell sometime in the next few years are being advised to go sooner rather than later.

The supply-demand position in investment trust shares should be in better balance after April.

Stars of the East

WITH JUST a month to go be*fore the end of the year the* champion unit trust of 1978 looks certain to be a Far Eastern fund.

Figures supplied by *Planned Savings* magazine show that in *the first 11 months, Far Eastern* trusts took six places in the table of the top ten performers *—despite the recent setback for* Hong Kong shares. In first place —again—was the GT group's *Japan and General*, showing a rise so far of 63 per cent.

Other groups with top-*performing Far Eastern funds* are Henderson, M and G, Gartmore, Allied Hambro and Save and Prosper.

Risks of attracting attention

BONDS

ERIC SHORT

TOP-RATE taxpayers usually face a substantial tax bill when they cash in a single premium *insurance bond. If they use the* usual withdrawal facility, they pay higher-rate tax immediately *on any withdrawals in excess* of 5 per cent of the original investment. Now Albany Life has *discovered anomalies in the cur*rent tax law labyrinth and has designed an ingenious market*ing scheme exploiting them to* cut the tax bills of high-income investors. The scheme is, how*ever, causing controversy in* the industry for the fear is that it may provoke drastic retalia*tion affecting many other life* products.

If an investor takes out a bond direct from a life company the profit is subject to higher tax rate when he cashes in. Albany *has* found that if he buys the bond from a third party, under section 394 of the 1970 Income Tax Act, any gain he makes later is not subject to higher rate tax since he is not the original beneficial owner. Instead he faces a capital gains tax bill—which may well be much lower.

The table shows the effects of having the profit on a bond taxed at higher rates compared with being taxed as capital *gains*. Although precise calculations are impossible, because of allowances and top slicing, the *figures* indicate that investors taxed at more than 60 per per cent would be better off pay*ing capital gains tax.*

But perhaps Albany's more important discovery relates to *the way you can take an income* from a bond. At present, you usually have to cash in units and any sum above 5 per cent of the original investment suffers higher rate tax. But if the income is taken as interest free loans from the life company you pay no tax, according to Albany.

So how does Albany's Adjustable Investment Bond operate? Like most tax avoidance *schemes, it is complex* and artificial. It starts with the insurance broker and his wife. The *insurance broker—call him* A—takes out an Albany Adjustable Investment Bond for the *minimum amount of £250 on the* lives of himself and his wife, B, on a last survivor basis. It is *essential that A and B have* an insurance interest in each other as set out in the Life Assurance Act *1774*—otherwise the bond will be null and void.

Now the investor, C, enters the scene. He buys the bond from A at its full market value. This would be a chargeable event for higher rate tax, but since the actions are likely to take place within a very short period, the gain if any would be small. Now C has a bond for £250, although the amount he wants to invest is sure to be very much higher.

But the policy contains an *option allowing the beneficial* owner of the bond to invest a further sum or sums. C exercises *this to bring the investment* up to the required amount. There are six investment links *with switching facilities*, so C can choose the mix he wants.

If C wants tax-free income, he transfers part of the value of the bond into a fixed interest account (a cash fund whose unit value does not fall) and then takes an interest-free loan of the same amount on the security of the bond.

If C cashes in the bond, the capital gains tax bill is assessed on the value of the cash-in less the repayment of outstanding loans and the original investment. But if the bond is surrendered because of the death of C, while either A or B is still alive there is no CGT liability. The full pay-out is added to C's estate and is subject only to Capital Transfer Tax.

There is, however, one snag: if both A and B die before C, C has to surrender the bond. This is because technically A and B are the lives assured. So it is essential to choose young *people for the role of A and B*; and it makes sense to have more than two lives involved to cut further the *risk* that *the* insured people die before C.

Naturally, Albany Life took legal advice before ruffling the feathers of the Inland Revenue. One has to admire the time, effort and ingenuity that has gone into producing a scheme that is certainly in the short-term interests of the wealthy investor. But it is in the long-term of the life insurance industry.

Some people in the industry seem to have forgotten or are deliberately ignoring the Chancellor's Budget warning this year on the use of artificial tax avoidance schemes. Life assurance is now becoming a leading means of mitigating the tax bill, in view of its special tax concessions. There is, however, an unwritten agreement that the *industry should not stretch* these concessions too far; some members of the industry are *now doing so quite openly.*

Tax avoidance is all perfectly legal, of course, and the Revenue can end the anomalies with a clause in the next Finance Act. But the danger is that it may go further and seek powers to control the marketing of life products.

The British Insurance Brokers Association, now it has become *aware of this scheme*, intends to advise members to think carefully of the consequences before launching a similar operation. The Life Offices Association, in contrast, still does not regard itself as the public conscience of its member companies.

HOW ALBANY CUTS TOP-RATE TAX BILLS

The net cash-in value of a £10,000 investment appreciating at 7½ per cent a year.

Cash-in Period	Usual bond at different tax rates: Nil and 33%	60%	98%	Albany plan at all tax rates
	£	£	£	£
5 years	13,638	12,655	11,273	12,546
10 years	19,579	16,992	13,352	16,705

It's carols for Christmas

STAMPS

JAMES MACKAY

CAROL SINGERS through the *ages* is the theme of this year's UK Christmas stamps, released recently. The 7p depicts carols being sung round the Christmas tree in Victorian times. It was during the mid-19th century that Christmas celebrations, immortalised by Dickens in his *Christmas Carol* took on much of *their modern form.* Prince Albert, the Prince Consort, is credited with the introduction *of the Christmas* tree to Britain.

The 9p shows a group of waits, the travelling musicians and singers whose origins go back to the medieval night watchmen. The original function of the waits was to sound a horn or play a tune to mark the hour. Carol singers of the 18th century appear on the 11p stamp, perhaps singing such old favourites as "Hark, the herald angels sing" or "While shepherds watched their flocks." One of the earliest carols, "The Boar's Head," still sung at Queen's College, Oxford, inspired the design of the 13p stamp. The stamp shows a boar's head being carried on a platter to the accompaniment of musicians in late-16th century costume. The tradition of eating boar's head goes back to an ancient Yuletide ceremony.

The stamps were designed by Faith Jacques of Kensington, who also designed the 1961 issue marking the 7th Commonwealth Parliamentary Conference, and one of the stamps commemorat*ing the 300th anniversary of the* founding of the Post Office in 1960. Harrison and Sons of High Wycombe produced the stamps in multicolour photogravure. In addition to the special First Day cover there is also an air letter sheet costing 12p which will be on general sale till the end of the Christmas period. Designed by Graham Percy, the pictorial panels and stamp show typical Christmas show scenes. A charming innovation this year is the special Christmas stamp booklet priced at £1.60. The cover, designed by Jeffery Matthews, features holly and ivy and bears the legend "Greetings Christmas 1978." The booklet contains 10 of each of the ordinary 7p and 9p stamps, the intention being that these booklets will make an ideal gift from children to their grandparents—or any other old age pensioners for that matter, for whom the cost of sending letters these days is a major problem.

Elsewhere, the mixture is very much as before. Among the more original sets are the three stamps from Cyprus featuring medieval icon stands. The Isle *of Man has taken a leaf out of* Britain's book and produced a 5p stamp showing 19th century children singing the traditional Manx carol "Hunt the Wren." Christmas Island can usually be *relied upon to come up with* something eye-catching and this year is no exception. The *miniature sheet contains nine* stamps, each bearing a letter of the word Christmas.

The motifs were inspired by the *Song of Christmas.* The words and music by the late Jim *Reeves appear in the lower part* of the sheet.

New Zealand has returned yet *again to the well-tried formula* of three stamps featuring respectively an old master painting, *a church and a Christmas scene*, the only variation possible being the choice of religious denomin*ation on the church stamp. This* year it is the turn of the Anglicans, with the church of All Saints at Howick near Auckland. El Greco's "Holy Family," now in the Kress Collection in the National Gallery of Art, Washington, appears on the 7c stamp, while a beach scene with *pohutukawa* in full bloom is a reminder that Christmas dinner down under often means a barbecue on the beach.

Australia, after flirting with avant garde approaches to the Christmas theme in recent years, has gone back unreservedly to the old masters and produced a set of three jumbo-sized stamps reproducing religious paintings by del Vaga, Marmion and van Eyck.

Flowers are a popular subject at any time, and a combination with the Christmas theme should be irresistible. Belize has come up with a set of six depicting wild flowers and ferns.

Variations on a theme

BOTH THE tempo and the volume of global numismatics seem to be on the increase again after a relatively quiet period, in which the coins marking the 25th anniversary of the Coronation were the only high point.

Following on the silver coins of the South Atlantic islands, featuring the heraldic Queen's Beasts as shown on the accompanying omnibus issue of stamps, comes a further batch, struck this time by the Franklin Mint of the U.S. The issuing territories are a disparate group, in and around the Caribbean and the Pacific, but a common theme has been used for their reverses. The Belize $25 depicts the White Greyhound of Richmond and the Lion of England, the Barbados $25 shows the Unicorn of Scotland and the *Falcon* of the Plantagenets, while the $25 of the British Virgin Islands features the Griffin of Edward III and the Red Dragon of *Wales.*

The Solomon Islands $5 has the Black Bull of Clarence and the White Horse of Hanover, and the Cook Islands $10 shows the White Lion of Mortimer and the Yale of Beaufort. *All* five coins bear the simple inscription "Coronation Jubilee," *which is not only neat but has* the merit (from the promoters' viewpoint) of associating the *event in the public's mind with* the Jubilee that refuses to lie down gracefully.

If the Cook Islands has been rather tardy in celebrating Her Majesty's Coronation anniversary, it has been quick off the mark with an announcement that the 1979 series of coins will have an edged inscription to celebrate the 200th anniversary of the murder of Captain James Cook in Hawaii.

In connection with this event the Captain Cook Trust has commissioned the well-known New *Zealand artist*, James Berry to sculpt a medal which serves to commemorate both the 250th anniversary of Cook's birth (in 1728) and the bicentenary of his death. An unlimited edition of these medals in crown size is available in silver and bronze at £15 and £5 respectively, while a limited edition in silver, with a diameter of 52mm, is currently available at £25. The issue of these medals coincides with the opening of the Captain Cook Birthplace Museum in Cleveland.

Coins with a transport theme are very unusual. Until the present spate of coins in the FAO programme featuring tractors, the only coin featuring a vehicle with an internal combustion engine was the silver yuan of Kwei Chow province which depicted a motor bus. This coin, issued in 1928, is now a much sought-after rarity. Oddly enough the only other coins in this theme have also emanated from China, or rather from the Portuguese territory of Macau at the mouth of the Canton River.

Silver 100 patacas and gold 500 patacas have been released to celebrate the 25th anniversary of the Macau Grand Prix, Asia's premier motor-racing event. The obverse shows the ruins of the Basilica of St. Paul, while the reverse shows a Formula racing car.

In the illustration can be seen the names and logotypes of well-known companies which sponsor the race. Leslie Lindsay, who sculpted the coins, worked from an actual photograph and his design has turned out to be rather too realistic, since this sponsorship, which is an indispensable feature of major sporting events these days, met with the disapproval of the Governor of Macau, Colonel José Leandro, who has ordered that the dies be re-engraved omitting the names of Shell, Seiko, Goodyear and Rothmans of Pall Mall.

Unfortunately the first batch of coins had already been produced and despatched by the Pobjoy Mint and though strenuous efforts have been made to recall them it is inevitable that some at least have got into circulation.

By contrast, the Pobjoy Mint's *latest work for the Isle of Man* is likely to be less controversial, though not without considerable *interest.* The *island's* parliament, Tynwald, is celebrating its 1,000 anniversary in June and an event of this importance justified something special in the way of commemorative coinage. The *only comparable coins* were those issued by Iceland in 1930 for the millenary of the Althing, Tynwald's elder counterpart. The Manx series comprises five crowns, each covering two centuries of the *island's history*, with the overall theme of shipping through the ages.

Thus the first crown depicts Viking longships, with an inset view of Tynwald Hill, the *second shows Castle Rushen* which figured in the Anglo-Scottish wars of the 14th century, with an English cog in the foreground, and the third depicts a Flemish carrack of the 15th century, with St. Michael's, where Sir John Stanley codified the laws of Man, in the background.

The fourth crown alludes to the Civil War period, when the Countess of Derby held the island in the name of Charles II; the coin shows a Royalist soldier and a 17th century man o' war. The last crown alludes to the part played by the Manxman, Sir William Hillary, in safety at sea and the foundation of the RNLI. Hillary's profile spears in a cartouche above a typical *shipwreck scene* of the early 19th century. The coins will be available shortly from the *Pobjoy Mint*, Sutton and the Isle of Man Treasury, Douglas, in cupro-nickel and silver versions.

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MORE BOOKS FOR CHRISTMAS

Egypt to Cézanne

BY WILLIAM PACKER

So many books on art and its related subjects appear, not just to catch the *Christmas market* but throughout the year, that any selection from them is bound to be arbitrary and partial, a cup dipped in the passing flood: we take in only what chance brings our way, fondly trusting our indifferent luck to be kind to our *palates*. And indeed always very many treats turn up, for art is inexhaustible and prodigally seductive stuff; and the shining pages of all these magnificent, unnecessary books are irresistible. Disappointment may come with the text, but then who really needs to read the furniture?

Sometimes, however, books do appear that, despite their prettiness, are rather more than exercises in elegant indulgence. No attempt has been made for many years at a general history of the British Print, and so Richard T. Godfrey's **Printmaking in Britain** (Phaidon, £9.95, 244 pages) is very welcome. It is particularly ambitious an enterprise, for the scale is small and the pace necessarily rapid: but Mr. Godfrey's writing is never shallow, and always engaging. He opens his first chapter with a joke, which in a work of serious scholarship marks out an admirable freshness and confidence in approach, as nice a change as an open window in a stuffy room.

The introduction spells out briskly and clearly, in a passage that is a model of expressive concision, the several techniques of the print, which for so many have remained obscure and confusing practices. And the chapters that treat the great period of the print in this country, from Hogarth to Gillray, and take in the portrait-engraving boom of the later eighteenth century, are especially useful. Altogether this is a book that makes no claim to being anything but an educated summary of its subject; but as such it opens up the field to further, more exhaustive enquiry, and is invaluable in itself. Mr. Godfrey *should be congratulated* on it.

Another most useful book, one that springs from so good and obvious an idea it is odd we have not seen it before, is George Bull's newly abridged and illustrated translation of *Vasari's Lives, going now under* the newer title: **Artists of the Renaissance** (Allen Lane, £8.50, 320 pages, 214 illustrations). It makes an excellent reference book, one both easy and a pleasure to pore over. Twenty of the most important biographies are given, from those of Cimabue *and Giotto to Michelangelo* and Titian, all nicely pointed by the visual material. Not all the plates, unfortunately, are of the highest quality, but so well do they march with the text that the defect is, almost, forgivable.

Rather more beautifully produced, **Cézanne** by Lionello Venturi (Skira / Macmillan: £20.00, 176 pages; 188 illustrations), is too, a splendid primer. The illustrations are well chosen, the numerous colour plates particularly good. Venturi was the greatest of Cézanne scholars, his the definitive catalogue, and his final analytical essays now published here take us through the various aspects of the painter's work and life with admirable expedition. It reads, however, as a popular book, and the writing is not always above reproach, carrying too often, especially *towards the end, much that is too* fulsome and vulgar for comfort. For example, in his summary of the criticism after 1920, Venturi declares of Joachim Gasquet (1921), who as a boy had known his hero, that his "imagination as a literary man and his defective historical sense led him to write the romance rather than the history of Cézanne."

Well put, no doubt; and yet later we find Venturi himself writing thus: "these pictures are dialogues with death, poignant in their profound and tragic accents. . . The old gardener is seen with so moved and moving a sympathy that, through him, we sense the personality of Cézanne himself . . . at grips with his daily task: stoic, intent, nursing no hopes, but strong in the conviction of accomplishing his appointed task." Well, perhaps this is a book to look at after all.

Moving back somewhat abruptly to an earlier time, **Drawings from Ancient Egypt**, by William H. Peck (Thames and Hudson, £10.50, 208 pages), offers us yet more opportunity in self-education, and the material is so exquisite that we must take it. Egyptian drawing remains largely the forgotten aspect of the art of that rigid and unknowable society, and so, when at last we do take the trouble to notice it, the shock of humane *recognition is all the greater, as it* jumps at us across the millennia. The work is remarkable for its freshness, informality and vigour, and for the closeness of the observation, that lives within the graphic limitations of those times with surprising ease and freedom.

Mr. Peck's text is clear and informative, if sometimes a little too literal and myopic: "In this erotic drawing a man and a young woman are making love in a rather contorted posture. She has her legs over his shoulders and, due to the frag*mentary condition of the stone* chip, it is impossible to understand how her torso is supported." No matter: the drawings are frequently of great beauty, the line elegant and economical, the imagery direct and readily accessible to us.

The Art of Rome by Bernard Andreae and translated by R. E. Wolf (Macmillan, £40.00, 656 pages, 900 plates), is an enormously ambitious and impressive volume, uncompromisingly, exhaustively scholarly in its attempts to embrace the Roman creative achievement from the earliest days of the city to the Empire of Constantine and to document its artefacts. The colour plates are quite magnificent, the rest copiously *informative*, visual list upon list of objects and architecture, diagram after map after reconstruction.

It is less a study than an encyclopaedia of its subject, and there can be little doubt of its importance and general usefulness. It makes clear what it is from the first page, its dry authority quite unmistakable; but even the casual reader, so long as he is fit enough to lift *it from the shelf, will be drawn* into it by degrees, fascinated.

Barry Cunliffe's **Rome and Her Empire** (The Bodley Head: £16.95-£19.95 *in* the New Year 320 pages), has its moments too, for among its many plates are some memorable images of ruin and relic. It is also a schuss down the centuries from Romulus to Constantine; but there all similarity ends.

This is consciously an exercise in popular edification, the technique adopted that of the modern manual or serial publication, with word and image integrated, information predigested.

The result of course is that it is over-designed in the desperate quest for simplicity and clarity, the layout fussy and distracting, the images competing, map with photograph, the spelling American for irritation, *and the writing hectic*: "*Trajan* returned from his Dacian wars, loaded down with spoils and determined to make his mark on the city of Rome." The learned professor might do better than that.

Masefield: "lost and sad"—a new drawing by Judith de Beer

All shipshape

BY C. P. SNOW

John Masefield by Constance Babington-Smith. Oxford, £6.50. 262 pages

A short time ago on this page I said that Rider Haggard was an exceptionally nice man. So, as Sir John Betjeman has emphasised, was John Masefield—decent, kind, unassertive, generous, humble, devoted to *Beauty and Art in the idealistic* late-Victorian manner, more than content to be the most unpretentious servant of both. The sardonic truth is that major writers are usually not in the least like that. Of the great novelists, for instance, there is not one whom any detached observer could call remotely humble. Think of Tolstoy, Dickens, Balzac, Henry James. By those high standards of non-humility, Dostoevsky was, relatively modest but that isn't saying much.

Exceptionally nice men—it is another sardonic truth—don't make for entrancing biographies. That is the case with Constance Babington-Smith's of Masefield. She has done her conscientious and scholarly best. She hasn't inflated either her claims for the poetry or for the drama of his *life. She has, in fact, slightly* played down the idiosyncratic feature in her subject's life. That was his marriage.

Masefield, in his self-reducing spirit, seems to have felt that he was unavailing, seems to have been impelled to find an older woman to take charge of him. This he duly did. At 24 he married a woman of 36, better educated, stronger-willed, incomparably more decisive. To an extent, that worked, and the marriage survived until she was 93. But it was carrying things a little far when throughout their early years, she also *sustained an* intense relation with an adoring young woman, the elder sister of Margery Fry, and appears to have spent more time with Isabel than with her gentle husband.

Observers remarked that Masefield normally looked lost and sad. Of course, he had some compensations. He didn't have to go back to sea. His actual sea-going experience, all complete by the age of seventeen, was one trip, from Liverpool round the *Horn to Chile, and one westward* trip to New York, where he jumped ship. He was consistantly sea-sick and, being an imaginative boy, apprehensive. That didn't prevent him having a romantic passion for the sea and ships. Some of his poems on those subjects are going to be printed in the anthologies for years to come. He doesn't seem to have had much irony in his temperament. It was rather like someone with a chronic phobia about flying writing an ecstatic poem "I will go up in the air again. . . ."

A greater compensation was his remarkable popular success. One wonders how any equivalent of The Everlasting Mercy, The Widow in the Bye-Street, Reynard the Fox, would get on today. He had a genuine narrative gift, and for me his prose *fiction* wears better than the stories in verse. And yet, we are all children of our time, even when we try not to be, and it is worth remembering that hard judges in Masefield's own time thought highly of his poetry. Yeats took him up. It is true that Yeats was a fairly soft touch for any poet with a gleam of talent: but Housman wasn't, and Housman thought much more highly of Masefield than of poets who are now in vogue. Further, Housman would be almost the last man to be affected by simple human goodness—which, I con*fess, attracts me* more to Masefield than anything he wrote.

Lucky children BY RACHEL BILLINGTON

There are some children's books that demand to be bought *with or without* the excuse of a child. Pace the fashion for meaningful fantasies, these are usually the books with beautiful illustrations.

Top favourite this year is **Each Peach Pear Plum** by Janet and Allan Ahlberg (Kestrel Books, £2.95, 32 pages) which not only is a joy to look at but also has an original "I Spy" theme which teaches children (or adults) to notice what they are seeing. **A Peaceable Kingdom, "The Shaker ABECEDARIUS,"** Illustrated by Alice and Martin Provenson with an afterword by Richard Meran Barsom (Kestrel Books, £2.95, 40 pages) takes second place. This is a Shaker alphabet using 20 six-lined rhymed verse with a successive letter of the alphabet at the beginning of each line. The delightfully naive pictures seem *most authentic*.

After purely glorious pictures come books with a little more of a story-line. **Kittymouse** by Sumiko (Heinemann, £2.90, 28 pages) is an appealing story of a kitten who thinks she is a mouse—until she sees her reflection in a mirror. **The Little Girl and the Tiny Doll** by Edward and Aingelda Ardizzone (Kestrel Books, £2.00, 48 pages) tells the sad tale of a doll who gets lost in a grocer's deep freeze. Luckily—contrary to popular belief children like happy endings—it all ends well.

Merle, the High Flying Squirrel by Bill Peet (André Deutsch, £2.95, 32 pages) is as exciting as any book for this young age group should be. The pictures of a squirrel-eyed view of Manhattan's skyscrapers would make an excellent cover *for The New Yorker*. And **The Toy Box** by Peter Wingham, (Heinemann, £2.95, 32 pages) tells a good traditional story of a box of toys which falls off *a removal van*.

After a world so rich in colour and gaiety, it is hard to move up an age-group when the story begins to take over from the picture—and the child's choice tends to take over from the adult's. However, **Mouse Woman and the Mischief-Makers**, by Christie Harris with drawings by Douglas Tait (Macmillan £3.50, 114 pages) is quite special. It has seven stories based on the author's North American anthropological studies. The settings and characters, particularly Mouse Woman herself, are so rich and vivid that one only hopes that all the stories have not been used up in this volume. This could become a classic.

Children of the Tower by Julia Dobson, illustrated by Jeroo Roy *with a foreword* by the Resident Governor of the Tower of London (Heinemann, £2.90, 137 pages) is a collection of true stories about children who have *been imprisoned in* the Tower.

For children who enjoy identifying with a tragic heroine, three nicely produced books about a little orphan girl called Anna have just come out in a new translation from the Swedish. These are **Anna at Bloom Farm, Anna All Alone,** and **Anna Keeps her Promise,** by Martha Sandwall-Bergstrom, translated by Joan Tate (Blackie, £2.95, *126 pages, 120 pages* and 128 pages). It might do some children good to read about a seven-year-old who, in order to earn her living, has to work harder than any grown-up.

Several children's books in the slightly older age group are *making a conscious effort to do children good*. Usually their efforts only succeed in producing an unreadable book. *There are one* or two that are readable, if not inspired. **The View from the Window** by Cordelia Jones (Andre Deutsch, £3.50, 143 pages) is about a teenage girl's attempt to come to terms with being a cripple. The descriptions of the relationships and tensions inside the hospital where most of the book is set are unsentimental and thought-provoking. **There ain't no Angels no more**, by Godfrey Goodwin (Collins £2.50, 95 pages) is winner of the Collins/Fontana Book for Multi-Ethnic Britain Campaign. It is an excit*ing story about the transforma*tion of a dead-end semi-derelict street, mainly populated by immigrants, into a happy place to work and play.

However, neither of the above books appealed to some young readers I enrolled. One eight-year-old boy chose **Superkids** by Michael Maguire (W. H. Allen, £3.50, 175 pages), soon to be a film by Walt Disney. My reader wrote that he did not want to *spoil the end of the story* for me but it included "Kidnapping, stealing and riding motor-cycles and other peoples' cars. . . ."

Another boy enjoyed **Tales told to an African King**, by Humphrey Harman, illustrated by Beryl Saunders (Hutchinson Junior, £3.50, 128 pages) the story of Tora, an exiled king living in East Africa. "It is a very good book because there are lots *of different stories all made into* one book."

A 13-year-old girl chose **In Apple Country** by Christopher Leach (Dent, £3.75, 120 pages), which is about a young girl's war-time evacuation to the country: "Really makes you imagine the old lady and her house and the countryside. . . ."

A totally non-reading seven-year-old boy was seduced from his principles by the prospect of becoming a "super-Sleuth," with the case of **The Face at the Window** by Wolfgang Ecke (Methuen Pied Piper, £2.95, 128 pages). *This has 15 detective* stories with a question posed at the end of each one and the solutions at the end of the book.

Fiction

Big guns BY ISOBEL MURRAY

War and Remembrance by Herman Wouk. Collins. £7.50, 1,042 pages

If you have a friend of a sombre disposition, with a moderate reading speed, who *will have a lot of free time over* Christmas, and New Year, and the winter months, you may just have found the ideal Christmas gift.

Herman Wouk has a very serious attitude towards the last World War, and perhaps a wrong-headed idea of how to get others to share it. Clearly, in many ways, he simply wants to write a history of the war. Parts *of the novel, the fall of Singa*pore, or the description of German experimentation with gas, read like straight history—except that Wouk is not, essentially, a historian.

His novel is his history, and his novel is improbable in the extreme. To cover the history of the (American) war: Pug is a naval officer whose ship is sunk at Pearl Harbour, and he gets another, bigger one. His wife Rho has an affair with someone connected with the atom bomb project.

Meanwhile, back with the *younger generation: one of Pug's* sons is a dive-bomber, and his dramatic death leaves a nubile wife and baby son as archetypal war victims. Number Two Son is a submariner in the Pacific, with a Jewish wife Natalie and baby son trapped in Europe.

Natalie's ex-lover, searching for *her*, learns of the German extermination camps: Natalie is an old friend of Pamela—so is her ex-lover. There is a frantic need to bring in and connect up every theatre of war. The nar*rative is interspersed with Pug's* post-war translation (annotated) of a German account of the war.

Herman Wouk is desperately serious about the war. His sincerity is manifest and occasionally embarrassing. While the extermination camps were one of the sickest things this world has seen, there can be something rather unhealthy in a very long and obsessive account too.

It is a very long book: you could say, it was a very long war. The novels about the war that will live describe it in new ways. *Catch 22* is (relatively!) long, because it is necessary to Heller's technique that the crazy spiral of the rationale of war go on and round and on. *Slaughterhouse 5* is short, and says all that is necessary about the fire-bombing of Dresden without describing it at all.

Wouk's painful sincerity is not *enough: Wilde's remark applies* here: "In matters of great importance, style, not sincerity, is the essential."

Ballet man BY CLEMENT CRISP

Helpmann by Elizabeth Salter. Angus and Robertson, £6.95. 246 pages

I respect Sir Robert Helpmann's achievements in the theatre too much to feel that this "authorised biography" does much beyond charting the *bare externals of a very distin*guished career. Theatrical memoirs are, in the general run, poor things, fat with flattering portraits of the star's friends and improbable family conversations. Only when a biographer has a great deal of inside knowledge, and the wit to use it stylishly—as with Cole Lesley's grand portrait of Noël Coward—does the account rise above hagiographic trivia.

Miss Salter lists events, details friendships with Vivien Leigh and Katherine Hepburn, but hardly gets to grips with the man who was a crucial figure in the emergence of the Royal Ballet to international fame, became director of the Australian Ballet, an actor of distinction and a producer of everything from opera to pantomime.

You will look in vain for insights into why Helpmann was a great comic performer and also capable of rare nobility as dancer and actor, beyond the statement that he was so. The text tends to a certain innocence —"war-time London is already part of history"—and is too generous with mistaken names. Barbette, the transvestite aerialist of the 1920s (he used to plunge from the height of the Cirque Médrano in Paris wearing 50 lbs of ostrich feathers) loses *the wit of his name when he is* called "Babette": the character who surfaces as "The Marquis of Cuevas . . . an indomitable old Spanish grandee" is the Marquis de Cuevas, Chilean born, whose ballet company was sustained with a good deal of flair and *even more money*.

Even one of Helpmann's greatest roles—Mr. O'Reilly, manager of the Pantheon, in *The Prospect Before Us*—is reduced to *Reilly*, and Ashton's *Cinderella* is not best described as a pantomime. Sir Robert has a reputation as a wit: we need his own memoirs to provide a livelier guide to his career.

TRAVEL

Learning and relaxing at the same time

BY SYLVIE NICKELS

THIS COULD be the time for laying the foundations for next New Year's resolutions, or reviving one of last year's. Mine usually include a vague intention to pursue some branch of knowledge with a little extra vigour. One at least (bird watching) has survived for more than two years and I am now completely and unrepentantly hooked. Others—like an extra language, embryo stirrings of a desire to sketch, uninformed leanings towards archaeology, philosophy, etc., etc.—wobble on from year to year. But as a human frailty, this kind of procrastination is one for which I (and you) have very little excuse in 1978, since there are all kinds of arrangements in all kinds of attractive places by which almost any interest can usefully be combined with a winter break.

It may take place in a comfortable or luxurious hotel that has focussed on some special theme on fixed dates, thus bringing likeminded souls together to enjoy the pleasure of a shared interest.

Or it may be in premises wholly designed for residential courses, though also providing the necessary amenities for relaxation.

In any category, I think it is fair to say that the Earnley Concourse in Sussex offers the most varied year-round choice, both in age and subject appeal, with 109 weekend and 32 mid-week courses this winter. It is, without being pretentious, a most attractive place where peacocks preen on lawns and the accent is on informality. The range of courses includes almost any subject you can think of, from bee keeping and car maintenance to wild life and yoga and, since groups are small and several courses occur simultaneously, there is an opportunity for linguists to mingle with musicians, or portrait painters with public speakers, in the bar or around the indoor pool or across the ping-pong table.

The Earnley Concourse was established by the late John Bett whose vision was to encourage people to realise talents they might not even know they possessed. Administered by a private trust, its rates are very reasonable: £6.50-£11.50 per person per day for full board, according to room category, plus £5-£7 for all courses (2-3 full days).

A wide range of residential courses is also run by local and county authorities or education committees, and these are listed in a six-monthly calendar produced by the National Institute of Adult Education for England and Wales (50p including postage).

Among them is the privately run Conference Centre of the *Old Rectory, Fittleworth*, Sussex, whose 2-7 day courses are mainly designed for people in, or approaching, retirement and whose subjects range from all kinds of hobbies, arts and crafts to a sensible "basic cooking for men." The place and the atmosphere sound charming.

On the hotel front, the off-season bargain break, which has been taken up with such enthusiasm, has also been admirably affected by the quest for knowledge. Independent establishments as well as groups and consortia feature a variety of special interest weekends and, though some of them amount to little more than providing you with a few leaflets and a suggested route pursuing some theme, quite a number consist of well-prepared programmes backed by good lecturers and appropriate excursions. The best single source for an overall clue to these is the "Let's Go" publication of short winter breaks of the English Tourist Board or the similar "Great Little Breaks" of the Wales Tourist Board, both free from the addresses below.

Fine arts and history provide particularly popular themes. *The Studley Priory Hotel*, offering three-star amenities in the setting of an Elizabethan manor in 13 acres of parkland, draws its speakers from the Ashmolean Museum and other institutions in nearby Oxford, for three weekends early next year: at £56 all-in, they cover the themes of Sheldon and Wren, Fine Arts and 18th/19th Century Painting and Porcelain.

Further north, Royal Doulton has joined forces with Trust Houses Forte for three more weekends this winter devoted to various aspects of pottery and glass making (£39.75-£49.75 all in).

The Embassy Hotel group has made rather a thing of its Leisure Learning weekends up *and down the country* costing from £37-£53 for two nights with full board and a busy programme approximate to the subject. This might be anything from our industrial or literary heritage to canals or fine wine in places ranging from Bingley to Bournemouth.

The Inter Hotel consortium, which is particularly strong in the West Country, includes bird watching and painting breaks in Talland Bay, and sketching and craft courses at the King Harry Hotel, near Truro, both Cornwall. The arrangements the Interchange consortium are more on a do-it-yourself basis, but do include packages covering entrance fees (e.g., for culture and wild life) or sporting activities (such as golf, fishing, riding, and even parachuting).

These are only some of the available ways in which you can further your own interests/talents in comfort and congenial company.

Addresses: The Earnley Concourse, nr. Chichester, Sussex PO20 7JL; National Institute of Adult Education, 19B De Montfort St., Leicester LE1 7GE; The Old Rectory, Fittleworth, Pulborough, Sussex RH20 1HU; English Tourist Board, Hendon Rd., Sunderland SR9 9XZ; Wales Tourist Board, Dept. GLB, PO Box 151, WDO, Cardiff CF5 1XS; Studley Priory Hotel, Horton-cum-Studley, Oxford; Trust Houses Forte, 86 Park Lane, London W1; Embassy Hotels, Station St., Burton-upon-Trent, Staffs. DE14 1BZ; Inter Hotel, 29 Harrington Gdns., London SW7 4JT; Interchange Hotels, 2b Kew Rd., Richmond, Surrey.

An off-season Côte

BY HENRY MARA

THERE ARE distinct advantages in visiting the French Riviera off-season. Hotel prices are 10 to 20 per cent lower, and flat and villa rentals 50 per cent less than in high season. Air fares and motor-rail are reduced. To this can be added the advantage of less crowds and the tempting, mild, sunny climate. The French Riviera has a big appeal today for people wanting a short winter break, and tour operators are catering for this with packages from £75 for three days' bed and breakfast, in a four-star hotel, including air travel.

Who wants to crawl bumper-to-bumper in August, taking one *hour to drive 4 kilometres from* the St. Tropez roundabout?

There are top luxury hotels, and the opportunity for a wild splurge at one of the ten major casinos of the region. You can, however, enjoy yourself on a burget, combining demi-pension with satisfying snacks from local street-markets. Try pain bagnat (bread roll filled with salade nicoise), pissaladiere (onion flan), socca (flour pancake with chick peas), oven-fresh pizza or French bread and cheese, and wash them down with a glass of pastis or local wine. Plenty of restaurants provide an excellent meal for £4 to £5.

Swimming, except for the hardiest, is something for April to September. But other activities are year-round, and undiminished off-season.

The French Government Tourist Office is a clearing house for travel information. You can then shop around and the start ratings of hotels are a fair guide of what you will get. British Airways' French Leave programme offers the only complete Nice Carnival package with seven nights, including breakfast, and all tickets for Carnival attractions, from £115 to £192.

I visited the purpose-built flats at Boulouris outside St. Raphael, owned by French Travel Service. From September to March they cost £92 for 10 days, per person, four people sharing, including rail travel. An extra seven days is a minimal £8. The price is the same from any rail station in the British Isles.

Addresses: French Government Tourist Office—178 Piccadilly, London, W1V 0AL. FrenchTravel Service—Hudson's Place, Victoria Station, London, SW1. British Airways French Leave—10 Charles The Second Street, London, SW1. Cox and Kings—Vulcan House, 46 Marshall Street, London, W1V 2PA. American Express A La Carte Holidays—9 Suffolk Place, London, SW1Y 4BL. Hertz Rent-a-Car—London Reservations Office—01-542 6688.

LEGAL NOTICES

No. 003798 of 1978

In the HIGH COURT OF JUSTICE *Chancery Division Mr. Registrar Hunt.* In the Matter of THE SABAH TIMBER COMPANY LIMITED and in the Matter of The Companies Act 1948.

NOTICE IS HEREBY GIVEN that by Order dated the 30th November 1978 made in the above matters the Court has directed a meeting of the holders of the Shares of the above-named Company (hereinafter called "the Company") not beneficially owned by Harrisons & Crosfield, Limited and its subsidiaries H & C. Securities Limited and Harcros Investment Trust Limited to be convened for the purpose of considering and if thought fit approving (with or without modification) a Scheme of Arrangement proposed to be made between the Company and the holders of its Shares and that such Meeting will be held at The Queen's Room, The Baltic Exchange, 14-20 St. Mary Axe, London, E.C.3 on Friday the 5th day of January 1979 at 12.00 noon at which place and time all the aforesaid Shareholders are requested to attend.

ANY person entitled to attend the said Meeting can obtain copies of the said Scheme of Arrangement, forms of Proxy and copies of the Statement required to be furnished pursuant to Section 207 of the above mentioned Act at the Registered Office of the Company situate at 1-4 Great Tower Street, London EC3R 5AB, and at the offices of the undermentioned Solicitors at the address mentioned below during usual business hours on any day (other than a Saturday or Sunday) prior to the day appointed for the said Meeting.

THE said Shareholders may vote in person at the said Meeting or they may appoint another person whether a Member of the Company or not as their proxy to attend and vote in their stead.

IN the case of joint holders the vote of the senior who tenders a vote whether in person or by proxy will be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority will be determined by the order in which the names stand in the Register of Members.

IT is requested that forms appointing proxies be lodged with the Secretaries of the Company, Harrisons & Crosfield, Limited 1-4 Great Tower Street, London EC3R 5AB not less than 48 hours before the time appointed for the said Meeting, but if forms are not lodged they may be handed to the Chairman at the said Meeting.

BY the said Order the Court has appointed Robert Macintosh Macpherson or failing him, James Ian Gammie or failing him, Hugh Ralph Kibblewhite to act as Chairman of the said Meeting, and has directed the Chairman to report the result thereof to the Court.

THE said Scheme of Arrangement will be subject to the subsequent approval of the Court.

DATED the 8th day of December 1978.
LINKLATERS & PAINES (A.Rob),
Barrington House,
59-67 Gresham Street,
London EC2V 7JA.
Solicitors for the Company.

No. 003583 of 1978

In the HIGH COURT OF JUSTICE *Chancery Division Group A. In the Matter* of FPR INDUSTRIES LIMITED and in the Matter of The Companies Act 1948

NOTICE IS HEREBY GIVEN that a Petition was on the 10th day of August 1978, presented to Her Majesty's High Court of Justice for the confirmation of the reduction of the capital of the above-named Company from £26,000,000 to £25,000,000.

AND Notice is further given that the said Petition is directed to be heard before The Honourable Mr. Justice Brightman at the Royal Courts of Justice, Strand, London on Monday the 18th day of December 1978.

ANY Creditor or Shareholder of the said Company desiring to oppose the making of an Order for the confirmation of the said reduction of capital should appear at the time of hearing in person or by Counsel for that purpose: a copy of the said Petition will be furnished to any such person requiring the same by the under mentioned Solicitors on payment of the regulated charge for the same.

DATED this 6th day of December 1978.
SHARPE PRITCHARD & CO.,
109 Kingsway, London, W.C.2.
Agents for:
LACES & CO. of
43 Castle Street, Liverpool.
Solicitors for the said Company.

هكذا من الأصل

HOW TO SPEND IT

by Lucia van der Post

EVERY young child needs soft toys and I know children that loved having them way past the age that normally seems appropriate. Even adults have been known to dislike being separated from their teddy bears, so if in doubt, give a soft toy. Certainly each year the selection is so delectable that I half wish somebody would give *me* one. We photographed a group of some of this year's newest and cuddliest.

Top row, left: Friendly-looking, though *distinctly lean, mouse, who adopts a rather* rustic style of dress. He has a predilection for gingham (blue or red) and is 15 in high. At £1.85 (35p p+p) he seems remarkable value. From Liberty of Regent Street, London W1.

Centre: Fluffy little owl (an owlet?). He is 5 in high, is speckled brown, beige and black and costs £2.45 (p+p 20p) from Sylvia's of 25 Beauchamp Place, London SW3. Sylvia has lots of other soft toys, too.

Right: Wide-eyed rag doll, 18 in high, she is dressed in a lovely Liberty print dress. Her hair is of beige wool and she is £12.50 (p+p 80p) from Liberty of Regent Street, London, W.1.

Middle row, centre: Hessian hedgehog with fluffy brown woolly coat. 10 in long, £9.95 (35p p+p) from Liberty of Regent Street, London, W.1.

Bottom row, left: Harriet Hare has fluffy white fur and cannot be separated from her orange carrot. She is 15 in high and is £8.95 *(p & p 50p) from Sylvia's of 25, Beauchamp* Place, London, S.W.3.

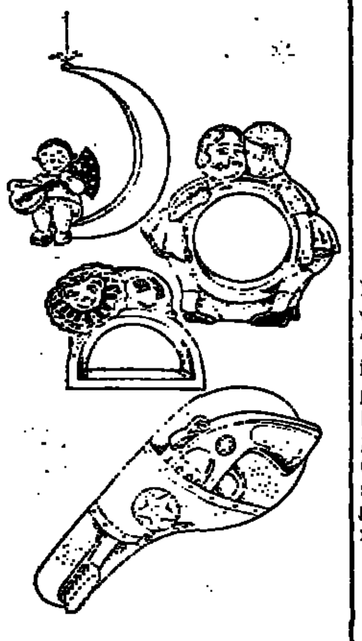
Centre: Nurse doll, 19 in tall, sports thick bunches of hair, and an authentic-looking uniform. She is 19 in tall, £8.91 from the Children's Book Centre, 229 Kensington High Street, London, W.8.

Right: *Clown nightie case in a bright* Liberty print, £13, from Liberty of Regent Street, London, W.1. (p+p 80p).

Photograph above by Trevor Humphries.
Drawings by Sumiko and Frank Wheeler

Kids Christmas

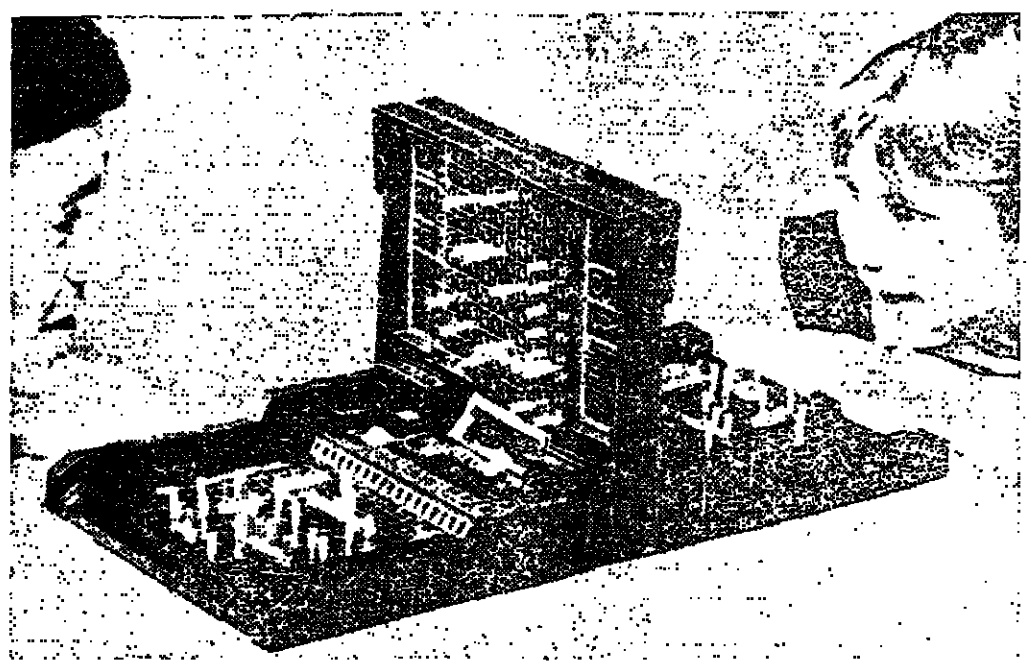
TRIFLES is a new shop at 239a, Fulham Road, London SW3, which seems to specialise in American toys, though there is also a fair sprinkling of things from Portugal, England and Germany as well. It's the kind of shop that comes into its own at Christmas (I often wonder what this sort of shop does for the rest of the year) as it's primarily a gift shop. They have some very unusual papier maché tree decorations and sketched here are four presents chosen from their range.



The wood star tree ornament, with a fat little angel sitting on the end is £3.50. There are a few antiques in the shop and these delightfully old-fashioned china napkin rings are of old English china. The boy and girl napkin rings (the girl is in pale pink, the boy in blue) are £8.00; the dog napkin rings cost £6.00 for a pair. Finally, for recalcitrant cleaners of teeth, what could be more enticing than a wild west toothbrush and holster set, complete with a hole in the holder so that it can be hung up where the toothbrush usually goes? 95p.

LOVELY traditional hand-turned wooden toys are available from Susan Barker at the Children's Collection, 2 Dartmouth Road, Olney, Bucks. These are the sort of toys that can actually be used and enjoyed, first by children who will use them as toys and second, by adults for whom the quality of the finish turns them into collector's pieces. Sycamore, beech and yew are the woods used and a mail order poster/catalogue is available on request. Three toys I liked in particular are a baby's rattle, an old-fashioned whipping top and a wooden cup and ball game. Each of the three is £2.40 and can be posted for an extra 20p.

DON'T forget Mothercare shops which have a good selection of children's toys, most of which may be based on traditional ideas but have usually been re-thought and re-designed. I particularly like their very simple *dolls' house, complete with* moulded sitting room, bedroom, bathroom and kitchen furniture. In nice bright colours, it all slots together, and is available from all Mothercare shops for £5.75. There is also an attractive set of pictures and number scales which is both toy and educator in one—the scales only balance when either the numbers on either side of the scales add up or when pictures of the animals match with their names. £2.00



LAST year's toy of the year was, of course, the skateboard. This year, so the rumour goes, it's the games based on computer chip technology. The great burgeoning of the microprocessor has made all these computer-influenced games possible. Nobody to play backgammon or chess with? Never mind, there's a computer that's always ready to come out and play—the only trouble is it'll usually beat you.

If you want a slightly more unusual computer-based game, computer battleship is reported to be the game of the year (£29.95 from most games and toy departments). It is based on the well-known childhood favourite of battleships but instead of using cardboard ships and boards you use a computer-controlled board. There are wonderfully satisfying noises every time you score a hit but otherwise the game seems to me little improvement on the old-fashioned version. However, today's child disagrees with me and most shops report that it is going like the proverbial hot-cakes.

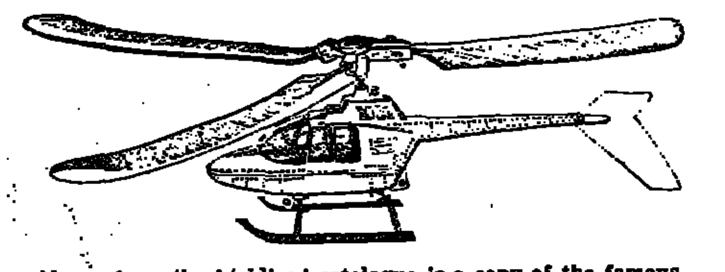
MANY OF you will have noticed the drawings of one of our artists, Sumiko, a young Japanese girl married to an Englishman and now living here in London. We love her drawings for their delicacy and precision and those of you who have admired them may like to know that her first children's book was published in the autumn and it makes a charming book for a young child. The story of an orphaned kitten who is adopted by a family of mice and thinks it is a mouse, it is illustrated in full colour with Sumiko's drawings.

*Called Kittymouse, it is pub*lished by Heinemann Young Books, costs £2.90 and is in most bookshops now.

MOST children, in my experience, love having things that belong to them alone. The sense of territory is highly-developed in the very young and there's nothing like knowing that a few pieces of china can only be used by them. General Trading Company, of 144, Sloane Street, London, S.W.1, has some of the most charming children's china I've seen—a nice change from Peter Rabbit. A bowl, mug and plate stack in such a way as to form happy stock nursery characters—a *lion, a boy, clown, rabbit,* reindeer or small girl. Each set is £4.95 (can be posted for £1.20).

IF YOU have a child who you think might be interested in chess but you don't feel like investing a great deal in a set for a beginner there is a new idea in chess sets on the market. Roger Elliott has designed a simple set which the child puts together and colours himself. The set arrives as three flat pieces of card—one piece forms the chess board, the other two consist of the pieces which have to be cut-out, coloured and put together before play can start. Roger Elliott wanted the children "to feel involved with the pieces before they started learning the game. Hence the idea of the children constructing and colouring the pieces themselves." Remember, though, that *this is a basic set—there are no* instructions and I do not think the pieces would survive long if you found you had an addict on your hands. I do think it's a good starter set for £1.20. You can buy it in many children's shops, including Children's Book Centre, the Owl and Pussycat, Flask Walk, Hampstead, London NW3, The Chess Centre, Harcourt Street, London W1, The Neal Street Shop, Neal Street, Covent Garden, London, WC2, *The Lion and Unicorn* Bookshop, King Street, Richmond and Langton Bookshop, Church Street, Twickenham. Out of London readers can order it by mail direct from Roger Elliott at 33 St. Stephen's Gardens, Twickenham, Middlesex. (30p p&p.)

A few specialist children's shops



Above, from the ! tridias ! catalogue is a copy of the famous **German Dux helicopter—it has a propeller span of 18ins and is set in motion by a firm pull on the handle which encourages the machine to rise up to 30ft or so. £1.95.**

John Adams Toys are available in many good toy shops but their range of wooden pull-alongs, shapes, dolls and furry toys are also available by mail order. You can still either write (first class post, please) or phone (073 522 3480) for the catalogue to: John Adams Toys, Crazies Hill, Wargrave, Berks.

Children's Book Centre, 229 Kensington High Street, London W8. Apart from all the books (both for children and adults) there are stocking fillers from 5p to £50 (if you're that kind of a stocking filler). Toys range from rag books for babies to *crafts for teenagers.* Up to December 24 goods sent by mail order will be gift-wrapped free. Make inquiries on 01-937 6314.

Cookham Workshop, 12, Cookham Arcade, Cookham, Berks *(Bourne End 28426).* Opened by two young designers who sell mainly their own designs—bright, attractive clothes, padded toys; lots of patchwork, appliqué, quilting, smocking, handknitting and crochet are featured both in the clothes and the furnishing accessories. Christening robes and shawls can be made to order.

Davenports, 51 Great Russell Street, London, WC1. Specialises in all sort of jokes, puzzles and conjuring tricks. Great stocking fillers.

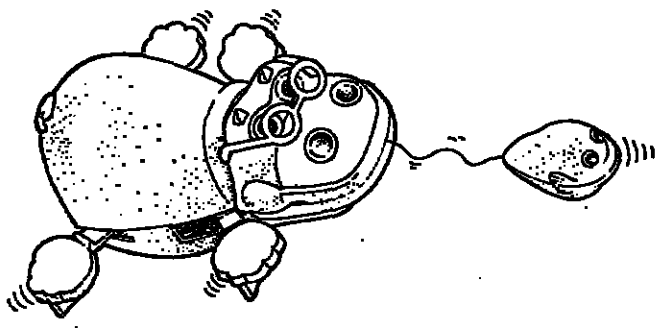
Galt Toys, Great Malborough Street, London, W1. There are many good toy shops all over the country which sell the Galt range of well-designed toys and games. Many traditional things including hobby horses, ludo, building bricks and so on. If you don't have a local stockist write now for the catalogue to Galt Toys, Brookfield Road, Cheadle, Cheshire, SK8 2PN.

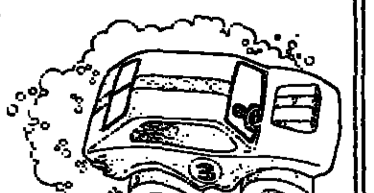
Kristin Baybars, 3 Mansfield Road, London, NW3 (and at Camden Lock on Sundays). A little shop selling toys made by craftsmen, dolls houses, soft toys, lots of little fun toys.

The Owl and the Pussycat, 11, Flask Walk, Hampstead, London, NW3, is a shop that believes in quality and doesn't think that children should just be palmed off with the brightest bit of plastic. On the ground floor they cater for the under-fives and there are lots of stuffed toys, wooden toys, pull-along, and other things designed to appeal to babies and their parents. Downstairs, they cater for the over-fives and you'll find an outstanding selection of books, party things, boxed games, paints, jig-saws and so on. Masses of stocking fillers, some under 20p.

Pollock's Toy Museum, 1 Scala Street, London W1 (behind Goodge Street station) is both a museum and a toy shop. It sells old-fashioned toys, reproduction dolls, dolls-house accessories, paper cut-outs and toy theatres.

The Tree House, 237, Kensington High Street, London, W8. Huge choice and room for children to do their choosing.





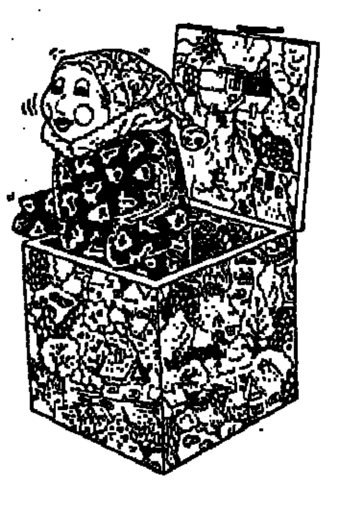
Two marvellous bathtime toys from the Children's Book Centre, 229, Kensington High Street, London, W.8. Above, a blue hippo which swallows a baby whale as he moves, £1.62. Right, the car sponge has a cavity to hold the soap and as you roll it along it makes lots of suds, £1.98.

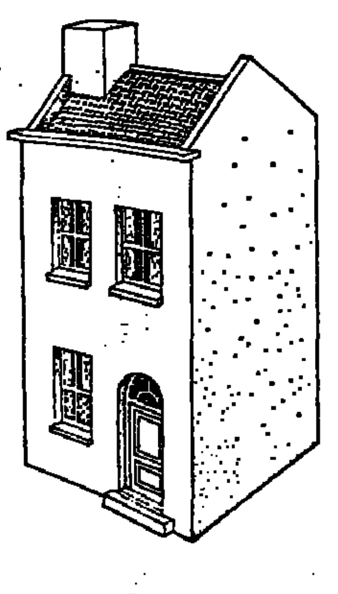
They believe in letting children test the toys first and there's a completely filled bath in which children can try out all the special range of bath toys. Their collection of floating bath pets from the USA is exclusive and special. They are all non-toxic and can be machine washed.

! tridias ! 8 Saville Row, Bath and 44 Monmouth Street, London WC2. *The* place in my opinion for browsing round for filling stockings, as well as for some major toys. *Lots of tradi*tional toys, as well as lovely unpainted dolls houses and joky gadgets. Mail-order catalogue is available from the Bath address.

Village Games, 15 Kingswell, Heath Street, London NW3 is one of the newer children's toy shops which is characterised by great taste—masses of small toys, like impeccably made miniatures, books that provide play as well as reading material for £1.20, and (useful for the very busy or the lazy) they will provide a ready-filled stocking (filled with about 30 items, including things like a money-box, skipping-rope, small ball, etc.) for £4.95 (p+p 95p). They now have a mail-order leaflet; send a s.a.e. (9p stamp).

The Tree House, 237 Kensington High Street, London W8, has some soft, cuddly animals, like the dolphin above, which float in the bath, and are machine-washable (99p to £1.95 depending on size.) There are also floppy bath hand puppets like this doll (12/13 ins tall) at £6.45 (p+p 22p).





THE Jack-in-the-box is one of those perennial toys that go on *bringing delight to succeeding* generations. This new version is as cheeky and perky a Jack as one could wish for. The box measures some 5 inches square and it costs £14.95 from Liberty of Regent Street, London W1 (p+p 75p).

Also from Liberty, which has one of the nicest selections of toys in town, is this money box, just one of a series of charming pastel-painted houses. £6.50 (p+p 50p).

MOTORING

Porsche delight

BY STUART MARSHALL

WHAT MAKES a rich man decide which supercar to buy? High performance is taken for granted—but is a tyre-smoking 0-60 mph acceleration time of seven seconds more important than forgiving handling in an emergency?

Is a reputed maximum of 150 mph going to clinch the deal if the car has become so noisy at 120 mph that he can hardly *hear himself think*? *Or will he* go for an under-140 mph maximum if the car is quiet enough at close to that speed for him to listen to the stock market prices as he rushes along the autobahn?

These were some of the questions Porsche had to answer when planning their 928 in the early 1970s. No one knows more about making exciting sports cars than Porsche but, even before the oil crisis and the slump that followed, they were aware that times were changing.

The 928 recognises this. It is a supercar that has come to terms with the safety and conservation minded seventies; a sporting yet silken two-plus-two that I rate the best car I have ever driven.

In a complete break with *Porsche tradition, the 928 has* a water-cooled V8 engine up front, not an air-cooled flat-six at the back. *The clutch and* five-speed manual gearbox (or a three-speed automatic transmission) *are mounted in unit* with the final drive, achieving ideal weight distribution.

By Porsche standards, 240 horsepower is not much to extract from 4½ litres of engine. *This — and gearing that gives* 25 mph per 1,000 rpm — is a recipe for exceptional relaxation.

The automatic version I drove during the recent cold spell started and warmed up with as little fuss as any American V8 after bitter nights in the open. It idled along in slow moving traffic with an executive saloon's lack of temperament, leaping forward eagerly at a touch of throttle.

On speed-limited British roads, the 928 demands a lot of *self-discipline*. At the normal businessman's motorway cruising rate it feels half asleep, *with the engine at a lazy 3,500* or so rpm. Off the motorway, its sharply responsive handling and immense reserves of road-holding let you drive it safely and undramatically at speeds that would be unthinkable in lesser cars.

Odd though it may seem, I think the 928 might even disappoint Porsche owners who have grown used to 911 models which make greater demands on their skill. It is such an easy car to drive well. The rear suspension changes the wheel angles slightly if you back off the throttle instead of powering the car through a bend. That keeps you exactly on the line you had chosen. Even on frosty minor roads it drove good naturedly, *sliding its tail gently and com*ing back instantly when corrective steering was applied.

The power assistance on the steering is so subtle one is really aware of it only when parking. The *brakes need firm* pedal pressure but are immensely powerful. Some of *the credit for the 928's super*lative handling belongs to the Pirelli P7 tyres. Though getting on for a foot wide, they thump only moderately at low speeds and have unlimited grip on dry roads. In the wet it is possible to spin the wheels when accelerating hard but bends continue to seem irrelevant. The Porsche just proceeds round them as though the road were straight.

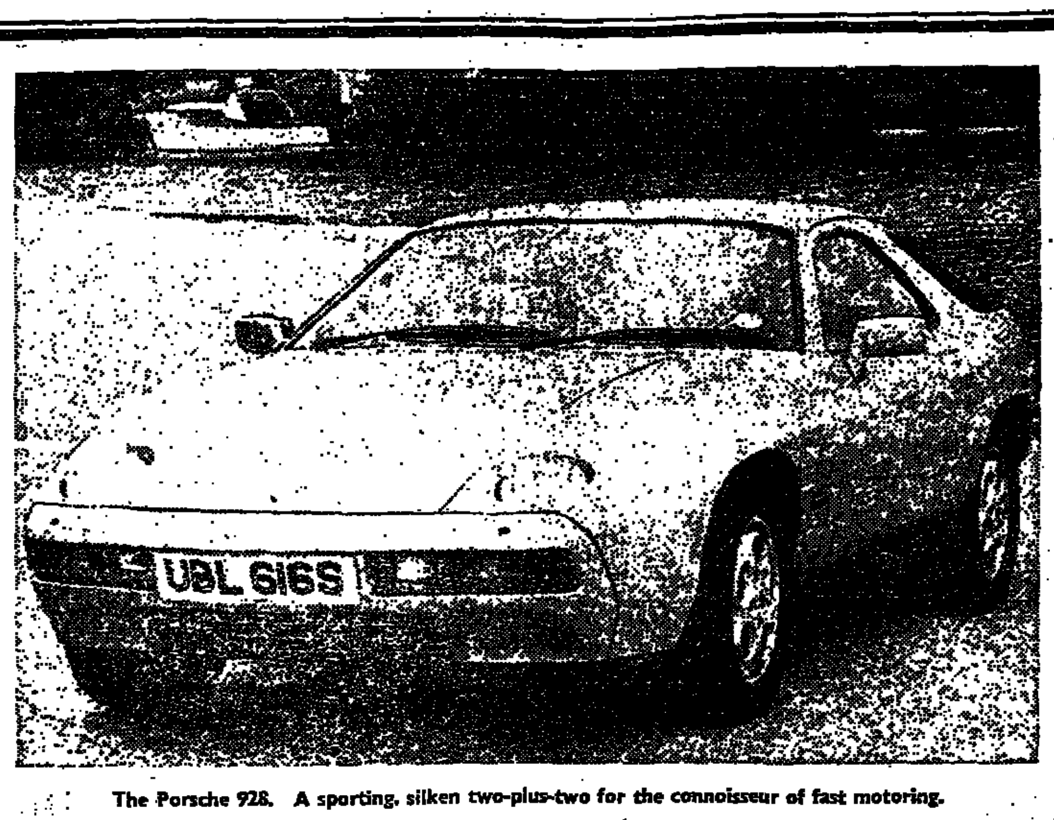
Everywhere you look in the Porsche there are signs that it was designed by people who *really* understand the requirements of fast, comfortable motoring. The twin door mirrors *are electrically adjustable from* a control in the driver's arm-rest; the steering column and *instrument binnacle together* move up and down; the head-lamps can be adjusted at the touch of a knob by the driver's side.

The minor controls are all faintly illuminated at night; there are four screen clearing jets though, strangely, not even one for the hatchback window wiper. Standard equipment includes air conditioning and Porsche's own station-seeking radio and stereo tape player.

Such snags as there are show up mainly in town. Visibility to the front nearside is none too good even for a tall driver. Strong reflections in the wind*screen of the light fascia top* and the demister vents do nothing to help. The passenger front seat headrest can *restrict* vision when joining a road at an angled junction and the screen pillars are fairly thick. But, these small matters apart, it is difficult to criticise the 928 at all.

The rear seats, though limited in leg and headroom, are enough to allow a prospective buyer to turn to his wife and say: "Well, at least there's space for the kids in the back."

The Porsche 928 costs £20,498. It returned 16 miles per gallon of two-star on typical commuting driving and *is practical* enough to be regarded as a *senior management tool rather than just another car in a* millionaire's toy cupboard. It certainly gives one a new set of *standards to judge* other cars by.



The Porsche 928. A sporting, silken two-plus-two for the connoisseur of fast motoring.

Mexican fiesta

GOLF

BEN WRIGHT

THE MAJOR stumbling block at present foiling those golf promotors anxious to create a year-round world circuit is that the American tour goes on too long. And if the players continue to have their way it is unlikely to get any shorter. It thus becomes increasingly difficult—without "investing" vast sums in appearance money—to persuade the world class American *stars* to travel to such excellently conceived and splendidly run tournaments such as the European *Open Championship*, the Dunlop Phoenix Tournament in Japan, the Australian Open and *the Mexico Cup competition* being staged this week here at the Club de Golf, Mexico, all four coming at the end of such a gruelling 10 months tour in the U.S.

It is no concidence that all four are organised and run by Executive Sports Incorporated, a Florida-based company run by John Montgomery Senior and Junior, with whom Jack Nicklaus has a close affiliation. And this week this organisation has convened a meeting here between Sven Tumba, who created the European Open, Messrs. Shingu and Onishi, who run the Japanese event, and Mauricio Urdaneta, who created the Mexico Cup competition earlier this year. Kerry Packer, who sponsors the Australian Open, will join the others involved if his commitments with World Series cricket allow him to travel. The idea of the meeting is to discuss and for*mulate a unique plan for a* points system including all four events. After the Mexico Cup, which Urdaneta hopes will find a permanent home at this palatial golf club, a substantial *extra* prize kitty would be divided among the leading points scorers in the four autumn classics around the world, thus offering a further significant inducement to the best American players to leave home in the last quarter of the year.

Everyone present seems lost in admiration of this wonderful *course, including Nicklaus him*self, who last played in an exhibition match here in 1971, an deconfirmed that it has never been in better condition in his time. It meanders through groves of much varied, lovely trees, every one of which is circled with whitewash for some four feet at the bottom of the trunk, for reasons which escape me. Perhaps it is to guide those who have drawn too deeply at the Margarita well in the clubhouse. The golf ball flies so far at this rarified altitude of around 7,000 feet that it plays much shorter than its advertised length of 7,238 yards, par 72. *The outward half is* appreciably tighter than the second half, and not a single player I *talked* to yesterday had managed to escape the clutches of the overhanging and *claustrophobic* branches on the way to the turn.

The mind fairly boggles at the talents of Nicklaus. He withdrew from Wednesday's pro-am in order to watch two of his sons in their last practice session in Tallahassee before tonight's State championship final high school football game, *flying down here* in his private jet on Wednesday evening. He will fly away tonight to watch the match and *return* immediately. Without even a look at the course, Nicklaus was able to hole it in 75 shots in his first round, and this score, in his own words "could easily have been 69 or 70." In fact Nicklaus took 36 putts, single putting only twice, from inside a yard on each occasion. Yet he had not played a single golf shot since winning the Australian Open in a canter after a similarly lengthy lay-off.

Opinions are at present divided about the venue and dates of next year's European Open. Tumba wants to take it to Scotland—if possible Muir*field*—in the first week of September in direct opposition to the American tour. But with *Commissioner* Deane Beman's blessing, John Montgomery senior has just inspected the El Prat course in Barcelona, which he regards as too short for the occasion, and Atalaya Park in Marbella, which he considers could be perfect if the rough was allowed to grow.

The leader board on Thursday evening emphasised the international quality of the field here, which is restricted by qualification to 50 professionals, 46 of whom accepted, along with eight invited amateurs. Australian David Graham led on 66 from Americans Don January and Bob Byman on 68, at which total also rests the Japanese youngster, 24-year-old Tsuneyuki Nakajima, the tall, bespectacled lad who earned everyone's sympathy during this year's Open *Championship* when he putted into the road bunker at St. Andrews, and took nine shots at the 17th hole when in contention.

MOTOR CARS

هكذا من الأصل

PROPERTY

Yankeeland in London

BY JOE RENNISON

IT MUST BE very difficult for a foreigner suddenly posted to this country for a short or long term to find suitable accommodation. The housing market is crazy and legally tedious at the same time and temporary accommodation difficult to find. To aim at such a market cannot have been such a bad idea.

With hotel prices rising all the time, staying in London has become very expensive. The average price of a luxury three room suite (two bedrooms and sitting room) in a London hotel is £1,250 a week—even a double room can be over £400 a week.

Draycott House in Chelsea provides an answer to this problem, offering well-furnished, fully-serviced apartments where prices for 3-room suites start at only £350 a week while the penthouses with roof gardens rent for only £500 a week. There are no additional service charges, VAT or room service charges.

Visitors can choose between 11 different apartments—each one is individually decorated, and there is a choice of either traditional or contemporary decor. Each apartment consists of a large reception room, one or two double bedrooms, a single bedroom (study or office) two bathrooms and a fully fitted kitchen. Two apartments have their own roof gardens and the others have a terrace or balcony. Draycott House provides businessmen with all the office services they need, since each apartment has its own private telephone line and there is a telex on the premises. Secretarial and translation facilities are readily available.

Other services on tap although not inhouse compare favourably with those provided by major hotels. Gourmet catering, garage facilities, self-drive or limousine service, shopping and sightseeing advisory services, hairdressing, dressmaking, babysitting, medical and dental facilities are all available on request. Theatre, cinema and concert tickets can also be arranged.

Draycott House has a wide clientele—from show business personalities who enjoy the privacy, to businessmen who like to be accompanied by their colleagues and families while travelling.

The company are now extending and cementing the overseas and particularly the U.S. connection by expanding its interest in the people who want to stay here on a permanent or semi-permanent basis. It is now offering a relocation service to its guests, many of whom are unaware of the pitfalls involved in finding accommodation in England.

Phyllis Earl (an American who is resident in London) and her partner Hazel Hayward specialise in finding homes for overseas visitors and act as consultants, providing the would-be resident with experienced advice on all aspects of relocation within the UK.

This personal service provides Draycott House tenants with all the information and help they need on cost of properties, suitable locations, advice on the conventions of buying and renting real estate and the formalities required, as well as practical advice on structural surveys and reports, alterations and improvements.

The new relocation service should cut time and effort for the customer and there is usually no charge for introductions. Phyllis and Hazel will visit each client at Draycott House to establish their home requirements.

They will then inspect each property personally and will only take their clients to view once they feel that these requirements have been met. When suitable accommodation has been found, they will continue to act as consultants advising on the employment of builders, decorators, plumbers and electricians, provide information on decor, furnishing and all amenities including schooling, staff, shopping facilities, transport, etc.

A neighbour of mine came here to work from America and luckily hit the property market at a very low ebb in early 1976. Now he tells me that when other people from the same company come over they are almost in despair at finding something reasonably priced near the centre of town. Any help at all would be more than welcome. At least my neighbour is lucky; his house has more than doubled in value.

Draycott House is at 10 Draycott Avenue, SW3. Telephone 584 4659.

The facade of this mansion seems to cry out "Who will buy me?" The somewhat seedy exterior (which is matched by a run-down interior) would suggest there is little hope of a positive reply. It is a typical example of what has happened to many a stately pile in this century. The owners have fled finding it impossible to keep and it has fallen into disrepair and it is difficult to find a new and useful role for it. This one is Hylands House on the outskirts of the village of Writtle, near Chelmsford in Essex. It was last used as a private house in 1962 and is now owned by Chelmsford Borough Council. The council are anxious to grant a long lease on the building and get it back into use. The length of the lease is negotiable but is bound to be long considering the amount of investment any potential lessee will have to make. Although the council have spent money on keeping it rainproof restoration and/or alteration will take an awful lot of cash. The house was first included in the list of buildings of architectural or historical interest in 1967 as Grade II. In 1975 it was upgraded to Grade II* which means it is of particular importance. The grounds are now a public park and must remain so but an area around the house will be allocated for the sole use of a new owner. The council are willing to receive proposals for its use including: hostel/housing for the elderly, conference or training centre, hotel, banqueting suite/restaurant, clubhouse, offices/research establishment, educational establishment, nursing home, museum or art gallery. No mention is made in the council's publicity material of use as a private home but I suppose in these evil days it is the least likely solution although such an idea is acceptable. Maybe some rich foreigner will step in. Outline proposals by developers should reach the council by January 31 next year.

Mortgage rate begins to bite

THE IMPACT of a sudden two per cent rise in the mortgage rate is already being felt with a number of cancellations in house sales, said Mr. Richard Jemmett, a member of the Solihull-based Bright Willis estate agents partnership.

"The man who is feeling it the worst is the first-time buyer at the bottom end of the market who is relying on a maximum mortgage. He is confronted with increases in his mortgage repayments which are beyond his budget and is left with two choices—either back out of the transaction completely or try negotiating a reduction in the sale price" said Mr. Jemmett.

But, he emphasised, with keen demand for the limited number of homes currently available there was little or no hope of prices coming down.

"On top of this, many building societies are altering the calculations used to decide how much someone can borrow against his salary. This again has hit the first-time buyer."

However, the effects of the mortgage interest rate increase was more widely felt than this when it came to the general pattern of house sales. A vast number of transactions were geared to the sale of other homes and often as many as six deals were involved.

"If you take the sale of, say, a £30,000 home a number of parties along the chain may have to face the fact they have to pay another £200-£350 p.a. on top of their original calculations. This can be a severe enough deterrent for any one of them to withdraw and the whole chain of deals collapses" said Mr. Jemmett.

About half of the house sales handled by Bright Willis are to people moving to the Midlands from other parts of the country.

"Because of this there is no question of sales drying up. Due to their various commitments many people still have to move—irrespective of the extra cost of their new mortgages" said Mr. Jemmett.

"This increase has made a number of local house movers sit tight and re-think their plans on purchasing a more expensive property. This is causing a bit of a shortage of new instructions coming on the market—and we still have plenty of demand for houses."

Greenhouse winters

GARDENING

ARTHUR HELLYER

THERE IS a lot to be said for using greenhouses in winter to grow plants that are not readily available in shops and garden centres. At this time of year there is not the least difficulty in purchasing cyclamens, pot grown chrysanthemums, cinerarias, poinsettias, several different kinds of primula and azaleas as and when one wants them but ask for a browallia, an exacum or a bouvardia and one will almost certainly be met with blank incomprehension. Yet these are all delightful plants and probably the only reason they are not marketed is that no one has been sufficiently enterprising to attempt to create a demand for them.

Browallia speciosa is a bushy little annual from Peru with violet-blue, trumpet shaped flowers rather like those of achimenes. Seed is freely available and, if sown in June, it will germinate with sun heat alone and the seedlings can be grown on in small pots in a frame or unheated greenhouse, eventually, in late September, being moved into the 10 or 12 cm pots in which they will flower. They will grow in any of the standard potting composts, peat or soil based, and all they need is a regular supply of water, plenty of light and a temperature that does not fall below 10 degs. C. They can even be grown in sunny windows.

Bouvardias are a little more exacting and a good deal more difficult to get hold of since they are not easy to raise from seed even if any could be found. One must look for a nurseryman with plants for sale or a friendly grower who is willing to part with cuttings, of stems in summer or roots in winter, either of which will grow in a warm propagator.

Bouvardias are evergreen shrubs with clusters of starry flowers, sweetly scented and often highly coloured. In winter they need a minimum temperature of 13 deg. C but in summer they can be stood outdoors in a sunny place.

Exacum affine is another annual, an exceptionally free flowering plant with lilac blue flowers each with a small yellow eye and a sweet scent. Seed is sown in March or April in a temperature of 15 to 18 deg. C which is easily maintained in a propagator. From May to October it is unlikely that anything but sun heat will be required. Culture is similar to that of brunfelsia except that slightly larger pots will be required for the final potting.

If there is room for something bigger, maybe planted permanently in a bed of soil rather than grown in pots, there is a lot to be said for Brunfelsia calycina and Tibouchina semidecandra. Both are evergreen shrubs and both will flower on and off most of the year if the temperature does not drop below 13 deg. C. There similarity ends.

The brunfelsia is a bushy, compact plant, its flat, violet purple flowers looking rather like those of a large periwinkle and sweetly scented. Tibouchina is a gangling plant with long, floppy stems that need to be tied to something, soft velvety green leaves and petunia-purple flowers with spidery anthers to match. It is a very handsome plant and will actually survive temperatures near freezing though this will stop it flowering.

I am puzzled that crinums are so very difficult to buy because they are easy to grow and quite spectacular in flower. They come from South Africa, have broadly strap shaped leaves and look as if they ought to make bulbs. In fact they get no nearer to this than having fleshy roots which enjoy being crowded in pots that seem a little too small for them.

The flowers are funnel shaped, borne in close clusters on stout bare stems. Orange is the colour most often seen but yellow and red are also available. The best collection I know is in Lord Aberconway's garden, Bodnant, North Wales. Crinums are not far short of hardy, grow well in a temperature range from 10 to 18 degrees C and like an ordinary, John Innes type soil compost.

Then there are the very early crocus species such as Crocus imperatii with purple-striped flowers and C. ancyrensis the first yellow crocus to open and the richest in colour. Outdoors they are always spoiled by rain and frost but even in a completely unheated greenhouse they are undamaged. They make excellent plants for half pots or rather deep pans in a soil or peat-based potting compost. Corms can be purchased from specialist nurseries and the slightly later flowering varieties of C. chrysanthus, in a whole range of colours, are freely available in shops and garden centres.

There are several winter flowering begonias, other than the familiar Gloire de Lorraine, that are worth growing if plants or cuttings can be obtained. Begonia fuchsioides has small shining leaves and nodding clusters of pink flowers which do look a little like fuchsias. B. manicata has larger leaves and loose sprays of pale pink flowers which are very decorative but need a fair amount of room. Both will grow in any moderately-heated greenhouse or even in a sunny room.

One winter flowering primula which is never grown for market is Primula kewensis. Unlike any of the other winter kinds it has daffodil yellow flowers carried in clusters on bare stems.

It is said to be a hybrid made at Kew yet it breeds quite true from seed never reverting to either of its parents. With me it sows itself in the damp gravel on the greenhouse stabing and I simply lift and pot seedlings as I require them. It is only just short of hardy and so requires little artificial heat.

There are two first class species of coleus that are grown for their winter flowers and not for their foliage like the familiar multi-coloured varieties of C. blumei. They are C. thyrsoideus and C. fredericii, the former a bushy perennial the latter a short lived plant dying after it has flowered and ripened its seed. Both have bright blue flowers carried in slender spikes and, given a little heat to keep the air dry and frost free, they are easy plants to grow. Unhappily they are not easy to buy. It is probably another case of begging seed or cuttings from fortunate friends or maybe from a public park that maintains a greenhouse display in winter.

ARTS

Florilegium

MUSIC

NICHOLAS KENYON

The distinctive sound of Florilegium is that of the natural horn. The ensemble's founder, Horace Fitzpatrick, is one of the outstanding scholars of that instrument; he has written a definitive work on the horn from 1630 to 1830, and long before the present vogue for authentic performance began, he was reviving the difficult art of playing the natural horn.

Yet it must be said that the best parts of Thursday's Wigmore Hall concert by his group were not those which involved the horn. When complemented by the sweet, mellow sound of baroque strings, flute and fortepiano, Mr. Fitzpatrick's instrument assumes the character of a concerto soloist, and this is not ideal for a chamber work (however orchestral in texture) such as the E flat Trio by Carl Stamitz which began the evening.

Far more satisfying in balance and sonority were the contribution of other members: Francois Fernandez is a baroque violinist who has not been heard before in London: is playing is slightly rough-hewn, but full of élan and sharply-pointed rhythms. A most tasteful performance came from Peter Davies in a seductively attractive little Sonata for flute by Dussek. Davies produces from his 1760 boxwood instrument a sound distinct both from that of slightly cloudy baroque flute and from the versatile but unresonant modern flute. Every twist and turn of melody and ornament in this charming late 18th-century piece of *galanterie* was matched by the accompanist, Christopher Kite.

He played a modern copy of a Stein fortepiano (such as Mozart loved) by the American maker Richard Sorenson. Kite's fortepiano playing was much preferable to his harpsichord playing (previously reported here): a slight rhythmic slackness only heightened the improvisatory quality of Mozart's D minor Fantasia, which he played with precisely controlled weight and scrupulous attention to phrasing.

This was an interpretation thoroughly re-thought for the fortepiano, perfectly suited to the scale of the instrument.

"Lady Helen Stewart with Vicky at Wynyard": photo by Lord Reginald Stewart or Lady Londonderry

THEATRES THIS WEEK . . . AND NEXT

KING'S HEAD, Upper St., N1—*Despairing, Suicidal . . .?* Cheerful, rather pointless satire with songs about middle-class life. Reviewed Wednesday final editions.

VAUDEVILLE — *Under the Greenwood Tree.* Loving adaptation of Hardy that makes a warm and cheerful evening for such as like their Hardy. Reviewed Thursday/Friday.

OTHER PLACE, Stratford—*Hippolytus.* Fine version of Euripides by David Rudkin, admirably produced by the RSC. Reviewed Thursday/Friday.

NEW END, Hampstead—*Flashpoint.* A soldier goes berserk when detailed for a firing-squad and holds up the whole of his barrack-room. Terribly unconvincing. Reviewed Friday.

ICA THEATRE—*The Free Fall.* Promising debut by new writer Colin Mortimer about a middle-class girl absorbed in a fanatical religious sect. Reviewed Friday.

Another Bible story at the Cottesloe on Monday, *Herod Mate!* comes into the Comedy from touring on Tuesday and *The Millionairess* (with Penelope Keith) comes to the Haymarket from last summer's Chichester on Thursday. On Wednesday, Barry *Humphreys at the Piccadilly* needs no recommendation, but just try to get a ticket.

Around the edge, Brecht's *A Respectable Wedding* keeps up the German season at the Open Space; the Bush has an adaptation of Flann O'Brien's *The Dalkey Archive*; and at the Warehouse the RSC has a new Howard Barker play, *The Hang of the Gaol.* The first two on Tuesday, the third on Friday.

And for children, try *The Wizard of Oz* at the Whitehall matinees, David Wood's *Babes in the Magic Wood* at Hornchurch, and this year's pantomime at the Players, *Robinson Crusoe.*

CHESS SOLUTIONS

Solution to Position No. 245

(c)—the game ended 1 . . . R-KB1! 2 RxN, P-K7; 3 R-N1, R-B8 ch! and White resigned because of 4 RxR, B-K6 ch. (a) N-R5; 2 R(1)-N7 and (b) P-K7; 2 K-B2 lose quickly, and (d) B-R5; 2 RxN, P-K7; 3 R-N1, P-K8 (Q) ch; 4 RxQ,BxR; 5 K-B1 followed by 6 P-B4 also gives White good chances.

Solution to Problem No. 245

1 Q-R1. If 1 . . . B moves; 2 Q-R1 ch, N-R4; 2 B-K5. If 1 . . . P-B6; 2 B-K5, and mate by 3 Q-QR8, 3 Q-KR1, or 3 BxN. If 1 . . . N-B7; 2 Q-R8 and 3 B-K5. If 1 . . . N-N4; 2 B-K5.

Aberbach/Felicity Samuel

ART

WILLIAM PACKER

Lord Londonderry, thinking, a year or two ago, to establish a dark-room at Wynyard, his house in County Durham, was surprised to learn from one of his older employees that a perfectly good one already existed, though it contained, he was told, nothing likely to be of any use. The unlocking of this secret discovered, in fact, a considerable treasure, for the room, unused for half a century and more, was littered with the impedimenta of photography as it was practiced by the later Victorians at the most serious level of involvement. And among the half-empty bottles of chemicals, boxes of paper, and the immaculate early cameras and other equipment that were tucked away in their leather cases, he found quite a number of exposed glass plates.

These last, when printed up, proved to be of remarkable quality as well as interest, with most of them evidently the work, both singly and in collaboration, of two markedly able and sensitive photographers. A certain amount of family detective work fixed their identities: the gifted pair were Theresa, wife of the sixth Marquess, and Lord Reginald Stewart, her second and natural son, who was brought up nevertheless, as these pictures so clearly show, as a much-loved member of a close and happy family.

The gifted aristocratic amateur is a familiar figure in the history of photography, and it is easy to make too much of him. Country house parties were crammed with the great, the rich, famous and notorious alike—those at Wynyard and the family's other houses were no exception—and all pictures of them in circumstantial detail cannot be but endlessly fascinating. And with Lord Reginald our interest and sympathy are even further engaged by what we know of his short life, racked by tuberculosis, and ended in 1899, at the age of 19.

But there is no need for special pleading: his work though so modest, stands up perfectly well for itself, simple and direct in composition, unaffected, confident and highly personal. To see his work, and his mother's, together (at Aberbach, in Savile Row, until February 3) is to be struck by the freshness and immediacy of their shared enthusiasm and particular vision. By the end of half an hour their world lives clearly in our minds, the characters who inhabit it, his brother Charles with his gun or his net, his sister Lady Helen in her fancy dress or boater, and above all himself, a serious little boy gazing steadily into the lens, *are sharply focused.* Over all broods the spirit of the place, which the landscape photographs catch so well, the broad walk at Wynyard under snow the epitome of an English park in winter.

A book of the photographs is also published (The Londonderry Album: Blond and Briggs: £8.95), which catches the mood well enough, but too much of the definition, the crispness of the work, is lost in reproduction, to do them full justice—the show is the thing.

Next door Felicity Samuel too is showing photographs, in her case a selection of vintage Hollywood studio portraits by such splendid professionals as Hurrell, Hesser and Abbe (until February 9). I have written enthusiastically about this kind of material fairly recently, indeed fairly often, so I shall not say very much: but the sets of pictures by Hurrell of the Joan Crawford of the thirties, both alone and with a number of her leading men, those of her with Clark Gable and Spencer Tracy especially, in deep and predatory embrace, are well worth the climb.

Fontainebleau to Verona

RADIO

ANTHONY CURTIS

Jean Anouilh is over 70. His plays do not get performed in London any more. But the BBC remains loyal even though the announcers still after 30 years of Anouilh plays seem uncertain how to pronounce his name. *The Scenario,* which was broadcast in a translation by Lucienne Hill and Mike Stott as the Monday Play (Radio 4, December 4), is a recent work, included with two other plays *Tu Etais Si Gentil Quand Tu Etais Petit* (about Electra and Orestes) and *l'Arrestation,* in a volume published last year called *Pièces secrètes.* "My flops . . ." Anouilh has designated them: the implication of the book's title seems to be that by studying these works we shall be taken into the playwright's confidence with a candour not vouchsafed to us in his more popular pieces.

The Scenario consists mainly of men's talk and drinking, and thus proved to be good solid radio material. It began rather boringly—that, I think, was deliberate—but then one became caught up in it. The year is 1939: Hitler can be heard on the radio in the background at the auberge in the forest of Fontainebleau where the characters are staying while they work out the screenplay for a new film.

I am glad I heard the play but I do not consider it gave me any startlingly fresh insights into the mind and art of Jean Anouilh. It taught me that he loathes the world of movie-making and that he feels ambivalently about sexual love, tycoons, money, and that he has a sentimental belief in the innocence of young servant girls, but having followed his work over the years with pleasure I think I knew about those attitudes already.

I doubt too whether I should gain anything more from seeing the play performed on the stage because the basic idea is not particularly visual. It is an idea which is contained in a vast broad hint that is dropped with a crashing silence as the play draws to a close with the declaration of war changing everyone's life. What the play hints is that the people surrounding the film producer Loubenstein are as guilty of pusillanimousness as thestatesmen surrounding Hitler in Munich, the difference being that in the end it was Hitler's scenario and not Loubenstein's that was performed.

The role of Loubenstein, a loud-mouthed vulgar octopus, contrasts to the sensitive lover at the centre of the scenario they are confecting, was taken with a suitably tinny voice by John Philips. The Pernod-addicted director who has worked for him before was a standard Anouilh exercise in self-disgust. Stephen Murray almost crooned his lines, at times making some of them sound very strange indeed. In a sudden highly unconvincing burst of remorse he commits suicide while the steely and much more sensitive screenwriter (Barry Foster) sticks it out to the bitter end, and laments the stupidity of men.

Their wives and mistresses were played by Judy Parfitt and Anna Massey, with suitable bitchiness; the women are pretty contemptible except for the aforesaid servant girl (Eve Karpf) with whom the director is sleeping. If several of these characters failed to register fully in English it was not the fault of the translators who found reasonable equivalents for what they were saying. I felt the director Michael Heffernan was not completely clear about what kind of shape he wanted to give this unattractive work.

Innocence betrayed is not the monopoly of Anouilh, as has been apparent on television recently. It all began in Verona. As well as the play, and the text of the play as televised (BBC publications, £1.35), and a lecture on the play by Germaine Greer on BBC-2, radio has added its voice to this Shakespearean chorus in the form of a new series of *Prefaces to Shakespeare* on Radio 4 on Saturday at five pm in which a celebrated man or woman of the theatre gives a view of the work to be televised. It is a notable example of cross-trailing, or shall we say, sensible co-operation between the two rival media. The radio broadcaster about *Romeo and Juliet* was Peggy Ashcroft who played the heroine with John Gielgud in 1935. Dame Peggy's fascinating talk was interspersed with recordings from her own radio performance as Juliet and others including Edith Evans as the Nurse. Her most pertinent point was the technical difficulty of the role at the many moments when love-play gives place to word-play. I could not help remembering her words when I watched the television the following night.

A later work that is really one long aria about love is Elizabeth Smart's novella *By Grand Central Station I Sat Down and Wept* which was broadcast in the Drama Now slot (Radio 3, December 3) narrated by Maureen O'Brien. The original is one of the great "in-books," like Djuna Barnes's *Nightwood*: to have read it is to belong to a kind of exclusive club. It does contain some remarkable writing but in spite of Miss O'Brien's fine inflected way with it I do not think it was really bearable for a whole hour.

Joseph and his Dreamcoat

A generation is emerging which, whatever its deficiencies, will at least be word perfect in *Joseph and his Amazing Technicolor Dreamcoat.* This first Tim Rice-Andrew Lloyd Webber collaboration was written for a school performance a decade ago now and in the next few weeks school halls throughout the country will vibrate with those mesmeric chant-like-lyrics and simple tuneful melodies.

For anyone wanting to avoid amateur embarrassment there is a competent production playing at the Westminster Theatre, thus exhibiting all the authors' repertoire in the West End. *Joseph* improves with care and attention and there are some nice touches in this version. Pharoah is still played as Elvis Presley (by Leonard Whiting), but as well as gyrating, for the finale, he rides on to the stage on a flash motorbike. The bad brothers plight in Cannaan during the famine is emphasised by the rats and snakes they are given to eat. And, cleverest touch of all, the cast is rounded out with children, the smallest acting as guards when the brothers are compromised at the Egyptian court.

Tim Rice never wrote with more facility than in *Joseph* and Lloyd-Webber's music is a nice mixture of pastiche and imagination. The band in this production is hidden away high up on the stage and there is a double staircase down for the grand entrances. Joseph is played by Paul Jones who must be glad he still looks young enough to come smiling through. He has the voice and the charm, but really very little acting is needed in this lightest of all light operettas. The brightness of the songs and the opportunities it gives children to enjoy themselves will ensure that *Joseph will out-live Evita.*

ANTONY THORNCROFT

TV Radio

† Indicates programme in in black and white

BBC 1

9.10 am Take Another Look.
9.30 Multi-coloured Swap Shop.
12.13 pm Weather.
12.15 Grandstand: Football Focus (12.20); Racing from Cheltenham (12.45, 1.10, 1.45); Boxing (1.00, 1.30) from the Royal Albert Hall: Rugby Union (2.05) Scotland v New Zealand; Cross Country (3.45, 4.10) IAC-Philips International Meeting; Table Tennis (3.55) The Goddard Finance International Tournament; 4.40 Final Score.
5.15 The Pink Panther Show.
5.35 News.
5.45 *Sport/Regional News.*
5.50 The Basil Brush Show.
6.20 Dr. Who.
6.45 Larry Grayson's Generation Game.
7.40 All Creatures Great and Small.
8.30 Some Mothers Do 'Ave 'Em.
9.05 Starsky and Hutch.
9.53 News.
10.05 Match of the Day.
11.05 Parkinson.

All Regions as BBC 1 except at the following times:—

Wales—8.50 am Take Another Look. 9.10-9.30 Bobol Bach. 5.45-5.50 pm Sport/News for Wales. 12.05 am News, Weather for Wales.

Scotland—4.55-5.15 pm Scoreboard. 5.45-5.50 Scoreboard. 10.05 Sportscene. 10.35-11.05 Sing Along With Sunshine. 12.05 am News, Weather for Scotland.

Northern Ireland—5.05-5.15 pm Scoreboard. 5.45-5.50 Northern Ireland News. 12.05 am News, Weather for Northern Ireland.

BBC 2

†2.45 pm Saturday Cinema: "I Accuse," starring José Ferrer and Anton Walbrook.
4.20 Play Away.
4.50 Out of this World.
5.50 My Music.
6.15 The Old Grey Whistle Test.
6.55 News and Sport.
7.10 Network.
7.40 "Lohengrin." Wagner's romantic opera in three acts, with René Kollo (simultaneous with Radio 3 stereo), Act 1.
8.40 On the Record with the Chancellor of the Exchequer.
9.05 "Lohengrin." Acts 2 and 3, including 10.25 Interval *readings.*
11.35 News on 2.
†11.40 Midnight Movie: "Dead Reckoning," starring Humphrey Bogart.

LONDON

8.50 am The Saturday Banana with Bill Oddie, part 1. 9.00 Sesame Street. 9.45 The Saturday Banana, part 2. 10.15 The Monkees. 10.45 The Saturday Banana, part 3. 11.30 Tarzan.
12.30 pm World of Sport: 12.35 ITV Seven—1.30, 2.00, 2.30 Headline; 1.15 News; 1.20 The and 3.00 from Newcastle; 1.45, 2.15 and 2.45 from Lingfield; 3.10 International Sports Special—Tennis (part 1): Davis Cup Final: Great Britain v U.S. from Palm Springs, California; 3.50 Half-time Soccer Round-up; 4.00 International Sports Special—Tennis (part 2): Davis Cup; 4.50 Results Service.
5.05 News.
5.15 Charlie Drake's The Worker.
5.30 Happy Days.
6.00 Bruce Forsyth's Big Night.
7.30 The Incredible Hulk.
8.30 Sale of the Century.
9.00 The Professionals.
10.00 News.
10.15 Tennis—Davis Cup Final: Great Britain v U.S. from Palm Springs, California.
11.30 The London Programme.
12.30 am The Practice.
12.55 Close: Painting by Degas, music by Berlioz.

All IBA Regions as London except at the following times:—

ANGLIA

9.05 am Popeye meets Ali Baba and the Forty Thieves. 9.20 The Next Week Show. 11.30 pm Michel Legrand and Friends. 12.30 am At The End Of The Day.

ATV

9.10 am Play Guitar. 9.35 Make It Count. 10.05 The Lost Island. 10.30 Tiswas. 5.15 pm Spiderman. 5.30 Mork and Mindy: A date with Laverne—Part Two. 11.30 Dan August.

BORDER

11.30 pm S.W.A.T.

CHANNEL

11.05 am The Little House on the Prairie. 12.25 pm Puffin's Platttce. 11.30 George Hamilton IV.

GRAMPIAN

9.00 am Scene on Saturday, including Birthday Greetings and Cuir Car. 9.30 The Beachcombers. 10.00 Sesame Street. 11.00 Lassie. 11.30 Joe 90. 12.00 The *Monkees. 11.30 pm Michel Legrand and* Friends. 12.30 am Reflections.

GRANADA

9.30 am Make It Count. 10.00 Sesame Street. 11.00 The Lone Ranger Show. †11.25 Laurel and Hardy in "Saps at Sea." 5.15 pm Cartoontime. 11.30 The Late Film: George Hamilton in "The Dead Don't Die." 12.50 am Untamed World.

HTV

9.00 am Doctor. 9.30 Ten on Saturday. 9.45 Lassie. 10.15 Batman (Part 1). 10.30 Tiswas. 11.15 Batman (Part 2). 11.30 Pop Spot. 11.35 Ten on Saturday. 11.40 Star Maidens. 12.10 pm Popeye. 12.20 Ten on Saturday. 5.15 Popeye. 11.30 Barnaby Jones.

HTV Cymru/Wales—As HTV General Service except: 5.30-6.00 pm I Bobl A'u Can.

SCOTTISH

9.00 am Castaways. 9.20 Adventures in Rainbow Country. 11.30 Lucan. 5.30 pm The Mary Tyler Moore Show. 11.30 Late Call. 11.35 S.W.A.T.

SOUTHERN

9.00 am Tarzan. 11.30 Logan's Run. 12.27 pm Regional Weather Forecast. 5.15 Cartoon Time. 11.30 Southern News. 11.35 Twist in the Tale.

TYNE TEES

9.00 am The Six Million Dollar Man. 9.50 Adventure Canada. 10.15 Lyn's Look-In. 10.25 Saturday Morning Film: Probe. 12.15 pm Lyn's Look-In. 5.15 Cartoon Time. 11.30 Barnaby Jones. 12.30 am Epilogue.

ULSTER

10.00 am Saturday Morning Movie: "King Kong v. Godzilla" 11.30 Sesame Street. 5.00 pm Sports Results. 5.15 Cartoon Time. 5.30 The Beverley Hillbillies.

WESTWARD

9.05 am Lucan. 9.50 Untamed World. 10.20 The Little House on the Prairie. 11.55 Look and See. 12.00 Just the Job. 12.25 pm Gus Honeybun's Birthdays. 11.35 George Hamilton IV. 12.00 Faith for Life.

YORKSHIRE

9.00 The Amazing Chan and the Chan Clan. 9.20 Space Ghost and Dino Boy. 10.15 You Can Make It. 11.30 Six Million Dollar Man. 11.30 pm Richie Brocklebman.

RADIO 1

(s) Stereophonic broadcast
‡ Medium Wave

5.00 am As Radio 2. 8.00 Ed Stewart with Junior Choice. 10.00 Peter Powell. 1.00 Adrian Juste (s). 2.00 pm Paul Gambaccini (s). 4.31 Rock On (s). 5.30 It's Rock 'n' Roll (s). 6.31 In Concert (s). 7.30-2.00 am As Radio 2.

VHF Radios 1 and 2—5.00 am With Radio 2. 1.00 pm With Radio 1. 7.30 With Radio 2. 9.30 Saturday Night with the BBC Radio Orchestra (s). 11.02-2.00 am With Radio 2.

RADIO 2

RADIO 3

Readings. 10.30 "Lohengrin," Act 3. 11.35 Arnold Cooke on record (s). 11.45 News. 11.50-11.55 Tonight's Schubert Song (s).

RADIO 4

6.25 am Shipping forecast. 6.30 News. 6.32 Farming Today. 6.50 Yours Faithfully. 6.55 Weather; programme news. 7.00 News. 7.10 On Your Farm. 7.40 Today's

BBC Radio London

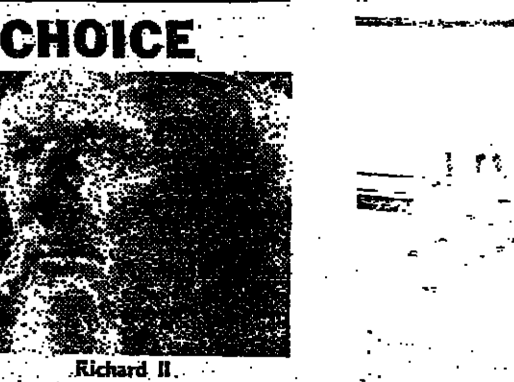
BBC Radio New Wavelengths

WEEKEND CHOICE

SATURDAY: The Scots hold out the last chance for Britain's rugger players to avoid a whitewash at the hands of the All-Blacks, and the admirable Bill McLaren will doubtless be in keener voice than usual when he covers the match for BBC-1 at Murrayfield. If it goes badly you can always switch to ITV at 3.10 and watch Britain in the Davis Cup Final instead (with more at 10.15). At 7.40 BBC-2 and Radio 3 bring a stereo-recording of **Lohengrin** from July's Munich Opera Festival.

SUNDAY: Again BBC-2 has the most enticing schedule starting with **The World About Us** devoted to clannish animals such as lions, hyenas and wild dogs and asking "Why don't badgers hunt cows?" followed by the second in the BBC's complete Shakespeare, **Richard II,** the play which upset Elizabeth I who disliked the idea of an English sovereign being deposed. In a strong cast Derek Jacobi plays Richard, John Gielgud is John of Gaunt, and Mary Morris the Duchess of Gloucester.

C.D.



Richard II

TV RATINGS w/e Dec. 9

UK TOP 20 (Homes viewing m)

1	Robins Nest (Thames)	18.70
2	Coronation Street (Mon) (Gran)	18.60
3	The Sweeney (Thames)	18.25
4	Larry Grayson (BBC)	17.55
5	Wednesday At Eight (Thames)	17.50
6	Some Mothers Do 'ave 'Em (BBC)	17.25
7	All Creatures Great and Small (BBC)	17.20
8	Coronation Street (Wed) (Gran)	17.05
9	This is Your Life (Thames)	16.35
10	George and Mildred (Thames)	16.15
11	Crossroads (Thur) (ATV)	15.40
12	Crossroads (Tue) (ATV)	15.25
13	Crossroads (Wed) (ATV)	15.10
14	Bernie (Thames)	15.05
15	Edward and Mrs. Simpson (Thms)	14.70
16	Crossroads (Mon) (ATV)	14.55
16	Emmerdale Farm (Tue) (Yorks)	14.55
18	Mastermind (BBC)	14.50
19	The Muppet Show (ATV)	14.35
20	The Professionals (LWT)	14.25

Figures compiled by Audits of Great Britain for Joint Industrial Committee for Television Advertising Research (JICTAR).

U.S. TOP 10 (Neilsen Ratings)

1	Laverne and Shirley (comedy) (ABC)	30.0
2	Happy Days (comedy) (ABC)	29.2
3	Three's Company (comedy) (ABC)	29.1
4	Little House on the Prairie (drama) (NBC)	27.6
5	MASH (comedy) (CBS)	27.6
6	60 Minutes (news) (CBS)	27.6
7	Eight is Enough (drama) (ABC)	27.0
8	NBC Monday Movie, Alone I Survived	25.6
9	Alice (comedy) (CBS)	25.1
10	One Day at a Time (comedy) (CBS)	25.0

A Neilsen rating is not a numerical total.

COLLECTING

Japanese discoveries

THERE ARE two exciting porcelain discoveries in Christie's sale of fine Japanese ceramics and lacquer at King Street, SW1, on Wednesday. Peter Bufton of Christie's oriental department told me that the 17th century, large Ko-Imari vase belonging to Countess Pauline Kalling, was found sitting on the floor of one of her reception rooms when he was on his last trip to Stockholm. "I don't think she had any idea of its value; and was thrilled when I told her it could make in the region of £5,000 or more at auction."

The second surprise is the pair of rare Arito gorgelets, probably Empo/Tenwa period (1673-1683), belonging to Michael Dawes Antiques which were brought in to the front counter at Christie's. "When I saw these I was terribly excited as I knew there was a similar one illustrated in Soame Jenyn's book on Japanese porcelain. These were apparently originally bought from a dealer in Brighton for about £50, and we enow expect them to make in the region of £3,000 to £4,000, possibly more."

And this even though both are slightly chipped, and one cracked with a repaired neck. The gorgelets, vessels for holding wine, are curious shaped jugs with a long neck and a bulbous spout on the side, not unlike the Spanish *porrón*, their name presumably deriving from the French *gorge*, gullet, mouth (of bottle), and *gorgée*, draught, gulp.

A single similar example in Spink's November exhibition of Japanese ceramics from the late Mr. Jenyn's own collection, sold for £4,500 within an hour or so of the opening. Jenyns worked in the Department of Oriental Antiquities in the British Museum for most of his working life, and through his collecting became the leading scholar in the field.

In his notes on the exhibition (a few unsold pieces can still be seen in Spink's King Street Galleries, next to Christie's), Dr. O. R. Impey, assistant keeper Department of Eastern Art at Oxford's Ashmolean Museum, says: "Jenyns was an enthusiast; he bought anything he could not immediately identify as well as types he knew well. When he became more familiar with Japanese porcelain, he still retained his curiosity about the later and odder pieces."

Part of the attraction of the gorgelets for me is the decoration—two moulded figures of the jolly good *Hotei*, carrying his treasure bag over his shoulder. *Hotei* is one of the seven Gods of Luck, so popular with the Japanese, a cheerful character whose distinguishing feature is a large stomach below which his garments sag, believed to be a symbol of contentment and good nature.

The Gods of Luck seem determined to catch my eye this week, because I noticed that a carved ivory *takarabune* (treasure ship), with the whole crew in, sold at King and Chasemore, for £980 at their Pulborough, Sussex, salesrooms on November 23. This prompted me to check on the background of the other six gods. The white-bearded *Jurojin* is the god of Longevity, *Fukrokuju* combines the same quality with wisdom, *Bishamon*, always dressed in full armour carrying a spear, portrays missionary zeal with the attributes of a warrior, *Daikoku* is the God of Wealth, the guardian of farmers, *Ebisu* a hard worker, is the patron of tradesmen and fishermen, and *Benten* the only goddess, represents the arts with her *biwa*, a stringed instrument rather like a mandolin. She is also associated with the sea and often has a sea serpent or dragon with her.

JUNE FIELD

One of a pair of porcelain jugs in Christie's Japanese Ceramics and Lacquer sale on Wednesday at King Street, S.W.1, were bought not so long ago for £50. Recently identified as rare Arito gorgelets (wine vessels), probably 17th century, they are expected to make £3,000-£4,000 although damaged. The cheery gentleman is Hotei, one of the Japanese Seven Gods of Luck.

BRIDGE

E. P. C. COTTER

A WEEK AGO two most interesting hands occurred during a session of high standard rubber bridge. The first was dealt by West with North-South vulnerable:

N.
♠ A Q 10
♡ A K J 9
♢ A Q 9 6
♣ 5 3

W.
♠ K 7 3
♡ Q 10 5
♢ K J 2
♣ A Q 10 2

E.
♠ 6 5 4
♡ 8 4 2
♢ 10 8 5 4
♣ K 8 7

S.
♠ J 9 8 2
♡ 7 6 3
♢ 7 3
♣ J 9 6 4

The dealer opened the bidding with one club, which I, sitting in the North seat, doubled. After South's response of one spade, I made an effort to reach game by bidding two clubs. This bid was designed to find out whether he had a club stopper, a five-card spade suit, or possibly four hearts. My partner bid two hearts on his three-card suit, certainly the right reply! I knew he might be weak, but with great faith in his dummy play I bid four hearts, and all passed.

With no attractive lead, West eventually chose the two of diamonds, and my partner prepared to do battle. He finessed the Queen, which held, cashed the Ace, and ruffed a diamond in hand. He returned the Knave of spades, West covered, and three tricks in that suit were cashed.

Then dummy's last diamond was led, East covered, South ruffed with the heart six, and West overruffed with the ten. West now switched to the club Ace, continued with a club to East's King, and a third club was ruffed on the table. The Ace and King of hearts dropped West's Queen, and the speculative game was delivered.

The opening diamond lead was favourable, and a spade would have allowed declarer to play on the same lines. The killing lead is a club. The third round forces dummy to ruff, West has to get in with a diamond, and another club forces dummy again, and establishes West's Queen of hearts.

N.
♠ Q
♡ K 9 8 5
♢ A J 9 6 4
♣ K 6 5

W.
♠ K J 10 9 2
♡ 6 4
♢ K 10 2
♣ 10 9 7

E.
♠ 5 4
♡ 10 2
♢ Q 7 3
♣ Q J 8 4 3 2

S.
♠ A 8 7 6 3
♡ A Q J 7 3
♢ 8 5
♣ A

The second hand was somewhat less exotic.

With both sides vulnerable, I dealt and bid one diamond on the North cards. My partner—not the South of the previous rubber—made a forcing take-out of two hearts, and I raised to three hearts. South now rebid three spades, which West doubled, a most unwise course of action. I said four hearts, and South pushed on to six hearts.

West started off with the ten of clubs, taken by the Ace, and the declarer crossed to dummy's Ace of diamonds, and discarded his other diamond on the King of clubs. He followed with the Queen of spades, which was won in hand with the Ace, and a spade was ruffed on the table. He returned to hand via the Ace of hearts, led another spade, and ruffed with the nine of hearts on the table. Unfortunately, East overruffed with the ten, and the contract was defeated, because the declarer could not avoid the loss of another spade.

Even if he had not been warned of the bad spade division by West's ill-advised double, the declarer should have tried to set up diamonds instead of spades. That is the percentage play. At trick four he ruffs a diamond in hand, returns to the heart King in order to ruff another diamond, and with that suit breaking 3-3, he makes all 13 tricks.

CHESS

LEONARD BARDEN

FOLLOWING SO soon after Korchnoi's near-miss against Karpov at Baguio, Hungary's victory in the world team championship at Buenos Aires shows that the Russian grandmasters are no longer quite the supermen of world chess they appeared a decade ago.

True, Karpov was not present at Buenos Aires for play, although he appeared as a delegate at the World Chess Federation congress. Korchnoi was there, playing No. 1 for his newly-adopted country Switzerland, and his unbeaten score of nine out of 11 received the prize for the best top board result.

Final results in the team championship, the chess olympiad, were Hungary 37 out of 56, USSR 36, U.S. 35, West Germany 33, Israel and Romania 32½. England, who led after five rounds, faded badly in the second half and finished only 12th with 31½.

So close was the race after the top three that the team would have been fifth had a winning chance been taken in the final round.

The poor form of Keene (one out of four) and Mestel (3½ out of nine) was the major cause of England's disappointing performance, for there were some good individual results. Tony Miles beat Spassky, while both Stean and Hartston went through the olympiad unbeaten, the latter achieving a norm for the grandmaster title.

England would have done much worse but for having a sixth player in John Nunn who, on bottom board, scored 8½ out of 12 and won seven games—more than twice as many as any other player on the team. Credit for this is due to bankers Duncan Lawrie, inspired by their chairman Michael Butterwick, who provided the fare for the extra player as well as honoraria for the team members.

Hungary's gold medals represented a fine recovery after a poor start to the championship. Playing conditions in the River Plate stadium, situated between the airport and a firing range, did not match the importance of the event.

Portisch lost his top board game to Spain, blaming the noise, and when he was well beaten by Spassky the Soviet grandmasters looked set to maintain their record of winning every olympiad in which they have participated since 1952. But it was the Russians who dropped points against weaker teams, while Hungary showed themselves true champions by beating the strong Yugoslavs 3—1 in the final round.

The Spassky-Portisch game will be interesting to anyone who plays the popular 3...B-N5 variation of the French Defence.

White: B. Spassky (Soviet Union). Black: L. Portisch (Hungary). Opening: French Defence, Winawer variation (Buenos Aires 1978).

The opening moves were 1 P-K4, P-K3; 2 P-Q4, P-Q4; 3 N-QB3, B-N5; 4 P-K5, P-QB4; 5 P-QR3, BxN ch; 6 PxB, Q-B2; 7 N-B3, N-K2; 8 P-QR4, P-QN3; 9 B-N5 ch, B-Q2; 10 B-Q3, QN-B3; 11 O-O, P-KR3; 12 R-K1, O-O; 13 B-Q2, P-B5; 14 B-KB1, P-B3; 15 P-N3.

Up to here this is an important and critical line of play which is fully analysed in J. L. Moles's Batsford book *The French Defence Main Line Winawer*.

Moles analyses 15 PxP, RxP as favourable for Black, though he comments that it is "better to maintain the PK5." Spassky shows that by guarding his outpost while guarding the king's side with the bishops White gains an appreciable advantage. Black's whole system with Q-B2 and P-QN3 thus could be under a cloud.

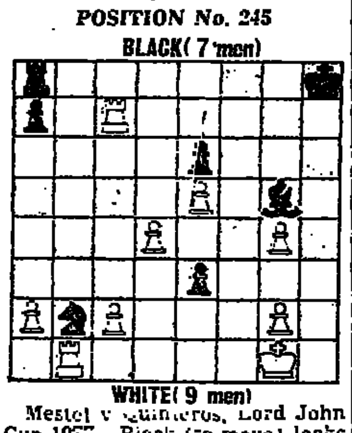
Alternatives are to develop the queen at QR4 or, as Korchnoi chose in his match with Spassky, to play B-Q2 and N-K2 and commit the queen only when White's plan is clear.

15...N-N3; 16 B-KR3, PxP; 17 PxP, R-B2; 18 B-N4! (White prepares to meet 18...QNxP by 19 NxN, NxN; 20 B-B4). KN-K2; 19 N-Q4! NxN (opening up the game for White's bishops, but if 19...N-Q1; 20 P-B4 with a bind on the centre); 20 PxN, P-B6 (otherwise P-QB3 limits Black's counterplay); 21 B-B1, N-B4; 22 B-R5, R(2)-B1; 23 B-R3! (decisive. Black has to give up material, for if 23...KR-B1; 24 P-N4, N-R5; 25 B-K7) Q-B5; 24 BxR, RxB; 25 R-R3, BxP; 26 Q-R1! (forcing simplification into a won ending), P-QN4; 27 RxP, QxP; 28 R-B6, QxQ; 29 RxQ, N-Q5; 30 R-B7, P-R4; 31 P-KB4, K-R2 (if NxP; 32 R-QB1, N-Q5; 33 R-R7 followed by doubling rooks on the seventh); 32 B-Q1, R-QR1; 33 K-B2, K-N3; 34 P-N4, P-R4; 35 K-K3! Resigns.

The knight is trapped in midboard — a neat finish to a powerful game by Spassky.

POSITION No. 245

BLACK (7 men)

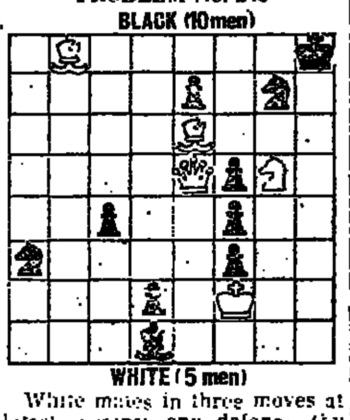


WHITE (9 men)

Mestel v Quinteros, Lord John Cup 1977. Black (to move) looks in serious trouble since White threatens either to establish two rooks on the seventh or to roll his central pawns. Should Black try (a) N-R5 (b) P-K7 (c) R-KB1 or (d) B-R5—and how should the game continue?

PROBLEM No. 245

BLACK (10 men)



WHITE (5 men)

White mates in three moves at latest, against any defence (by A. Akerblom, Praca 1969).

Solutions Page 14

COMPANY NOTICES

UNION CORPORATION GROUP

THE GROOTVLEI PROPRIETARY MINES LIMITED

MARIEVALE CONSOLIDATED MINES LIMITED

DECLARATION OF DIVIDENDS

1. Dividends have been declared payable to members registered in the books of the undermentioned companies at the close of business on 29th December 1978.

2. The dividends are payable in South African currency. Members with payment addresses in southern Africa will be paid from the Registered Office and the warrants will be drawn in South African currency. Members with payment addresses elsewhere will be paid from the London Transfer Office and warrants will be drawn in United Kingdom currency: the date for determining the rate of exchange at which South African currency will be converted into United Kingdom currency will be 23rd January 1979. Such members may, however, elect to be paid in South African currency provided that any such request is received at either the Registered Office or the London Transfer Office on or before 29th December 1978. Warrants will be posted from the Registered Office and the London Transfer Office on or about 15th February 1979.

3. The registers of members of the companies will be closed from 2nd to 5th January 1979, both days inclusive.

4. Payment will be made subject to conditions which can be inspected at the Registered Office or London Transfer Office of the companies.

COMPANY (Each of which is incorporated in the Republic of South Africa)	Dividend per Share/Unit of Stock (S.A. currency)
The Grootvlei Proprietary Mines Limited	22 cents
Marievale Consolidated Mines Limited	38 cents

per pro. UNION CORPORATION (UK) LIMITED

London Transfer Office:
Granby Registration Services,
Granby House,
95 Southwark Street,
London SE1 0JA.

London Secretaries:
L. W. Humphries,
Princes House,
95 Gresham Street,
London EC2V 7BS.

8th December 1978.

FINANCIAL TIMES
BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
Telegrams: Finantimo, London PS4. Telex: 886341/2, 883897
Telephone: 01-248 8000
Saturday December 9 1978

Very well, alone

THE PRIME MINISTER chose to take a rather Churchillian tone in reporting to the House of Commons on the rather shuffling outcome of the economic summit in Brussels. He could not make a deferred decision sound dramatic; indeed Brussels was the very reverse of a drama. "I no longer feel" as the Prime Minister of Luxembourg put it "that we are at a turning point of history." However, he did try to convince his hearers that an independent line was something robust—a healthy pursuit of national interest, in which Britain was in good company. It was left to Mrs. Thatcher to ask what national interest had been served.

The honest answer is a little embarrassing. The fact is that the outlook for the UK economy, and especially for the rate of inflation, remains a mystery wrapped in an enigma: and in such circumstances, membership of an obligatory currency intervention club is definitely not an unmixed advantage. Even the limited agreement that was achieved between relatively stable countries has already provoked the beginnings of currency market speculation on a realignment between the Six before January 1, and this is likely to provide some continuing excitement over the holiday season.

The pressures that might even now be trying to depress the sterling rate had we joined can readily be imagined. A promise to support a given rate is unfortunately an open invitation to speculators; a genuinely floating market, on the other hand, seems ready to reserve judgment. The British promise to stabilise sterling outside the EMS puzzles suspicious Europeans, but technically it is more feasible.

We are waiting, then, for a more reliable stability before we contemplate joining. What are the chances of achieving it? The pay mystery gets more complicated day by day. Union negotiators now have a new virility symbol; they claim that apparently moderate settlements, such as that achieved to much applause at Vauxhall, are generous in concealed ways. The employers deny it. Ford claims that its settlement, given the productivity promised by the attendance payments, will prove moderate; the unions say it will cause more trouble. There is clearly nothing firm to be learned from the proclaimed percentages contained in successive bargains.

This does not of course prevent the Government from continuing to battle for 5—or is it now 7?— per cent, and to threaten sanctions for which there is no support in Parliament or in industry. The incomes - policy - free - for - all debate continues

In favour of the policy, and indeed of the threat of sanctions, it must be conceded that our own industrial survey does show some hardening of employer attitudes. A quarter of employers now say that they aim to settle in the 5 per cent to 9 per cent range, and say that sanctions are one factor in their thinking. They clearly weigh heavily with the publishers of provincial newspapers, who now face the first open-ended strike by journalists in support of a claim to which the employers concede much justice. Some settlements may indeed be reduced by this approach.

Anomalies

However, our objections remain. Talk of norms encourages emulation. Some employees with strategic strength are clearly likely to get excessive settlements; no one knows, for example, what to do about the tanker drivers. Normally pacific workers, like the postmen, may be incensed, and sensible adjustment of anomalies is blocked. A minute reduction in average settlements is hardly worth the price in disruption, injustice, and damaged relations.

Above all, pay is far from being the whole story, as the figures for the last year prove. A tight monetary policy and a relatively strong exchange rate helps to damp down the response of prices. This may be because of the pressure for efficiency, or at the expense of profits: the current recovery in profits could be evidence of an encouraging answer, though it is far too early to judge. The result may be higher unemployment—a rather brutal way to secure better productivity. Generally the City regard a pay out-turn in the 10-12 per cent range as consistent with some further improvement in the economy, and the markets currently reflect a dawning hope that this may not be too wide of the mark.

However, double-figure pay increases and some rise in inflation is probably not consistent with the Prime Minister's aim of holding sterling within 2½ per cent of its present effective value, without a sharp impact in the jobs market; it is this question, in an election year, that casts the greatest uncertainty over sterling. If this uncertainty could be reduced—indeed, had we felt able to join the EMS at the outset—not only would the environment for pay bargaining be more certain, and the hope of reduced inflation more credible, but foreign investors, already attracted by low British real wages, would feel more sure of themselves.

Our decision to stay out for the time being may have been realistic, but it is not a victory. The outlook will be much better when there are grounds for the confidence which would enable us to join.

Question marks overhanging British tourism

BY ARTHUR SANDLES

TO SOME it could be a dream come true. Think of a Britain where commuters do not have to fight American ruck-sacked college kids on the morning Piccadilly Line tube trains from the airport; of country roads where Fiats and Mercs. do not trundle sight-seers past churches and castles; of a City walk not interrupted by some foreign accented inquiry. But do not forget that a £1bn tourism surplus is likely to prove a spectacular bonus for Britain in 1978.

Year-end figures are likely to show that foreign tourism to the UK virtually stagnated in numerical terms and that such growth as there has been is largely the result of the efforts of two men—Mr. Alfred Kahn whose eagerness for competition as the head of the American Civil Aeronautics Board brought air fares tumbling down, and Sir Freddie Laker, who holds broadly similar views to those of Mr. Kahn. It is intriguing that these two battled to success in the teeth of opposition from the British Government.

Revival of sterling

In both the short and long terms there are aspects of the British tourist outlook which are beginning to concern observers. These include the fact that inflation in Britain and the revival of the fortunes of sterling over the past summer, have eroded the price advantages which were such an attraction to visitors. At the same time there are signs that hotel bedrooms of a high international standard in the prime areas of attraction, notably central London, are once more in danger of being booked out. Thus, although the present sluggishness of the market may be due to temporary factors and notably the state of the dollar, if there were a revival of world tourism Britain might be hard pressed to cope with it.

All this is happening at a time when the flow of Britons to foreign shores is gathering pace in a remarkable way. More than 750,000 UK residents have already booked holidays overseas for next summer.

The main limiting factor on continued growth of bookings over the coming months is likely to be capacity rather than demand. Although the bedrooms are waiting in destinations like Spain and Greece, the British charter fleet has been run down in recent recession years and does not have sufficient aircraft to handle the sort of boom which now looks like developing. There are moves afoot to change this position, with some airlines re-equipping and some tour operators buying their own jets. Thus, in the early 1980s certainly, the aircraft will be there to handle even major rises in the market.

For the moment the UK has every reason to be happy about its tourist record. According to the most recent report of EEC official tourist organisations Britain's income from tourism accounts for 4.3 per cent of total exports of goods and services, while its expenditure totals only 2.3 per cent of imports. This healthy position contrasts with an EEC as a Community which spends considerably more on tourism than it receives.

That is largely due to the Germans, whose tourist receipts are a tiny 2.8 of exports but whose expenditure is a substantial 8.7 per cent of the total import bill. The tourism league is virtually an inverted prosperity table, with Italy, Britain, and Ireland being major holiday magnets. Perhaps the UK should regard it as a good sign if it slipped into a less spectacular tourist balance.

Many would argue that the relative strength of sterling is such a dominant factor in any tourism debate that talk of managing tourist flows is nonsense. Those who believe that would dispense with the British Tourist Authority (a not unprecedented move since President Carter is apparently poised to do just that to the U.S. Travel Service) and cease any intervention in the hotels market. However, it is apparent that without Government action which with the Hotels Incentives Scheme stimulated a massive modernisation of the British hotel industry in the early 1970s the £1bn tourism surplus might never have been achieved.

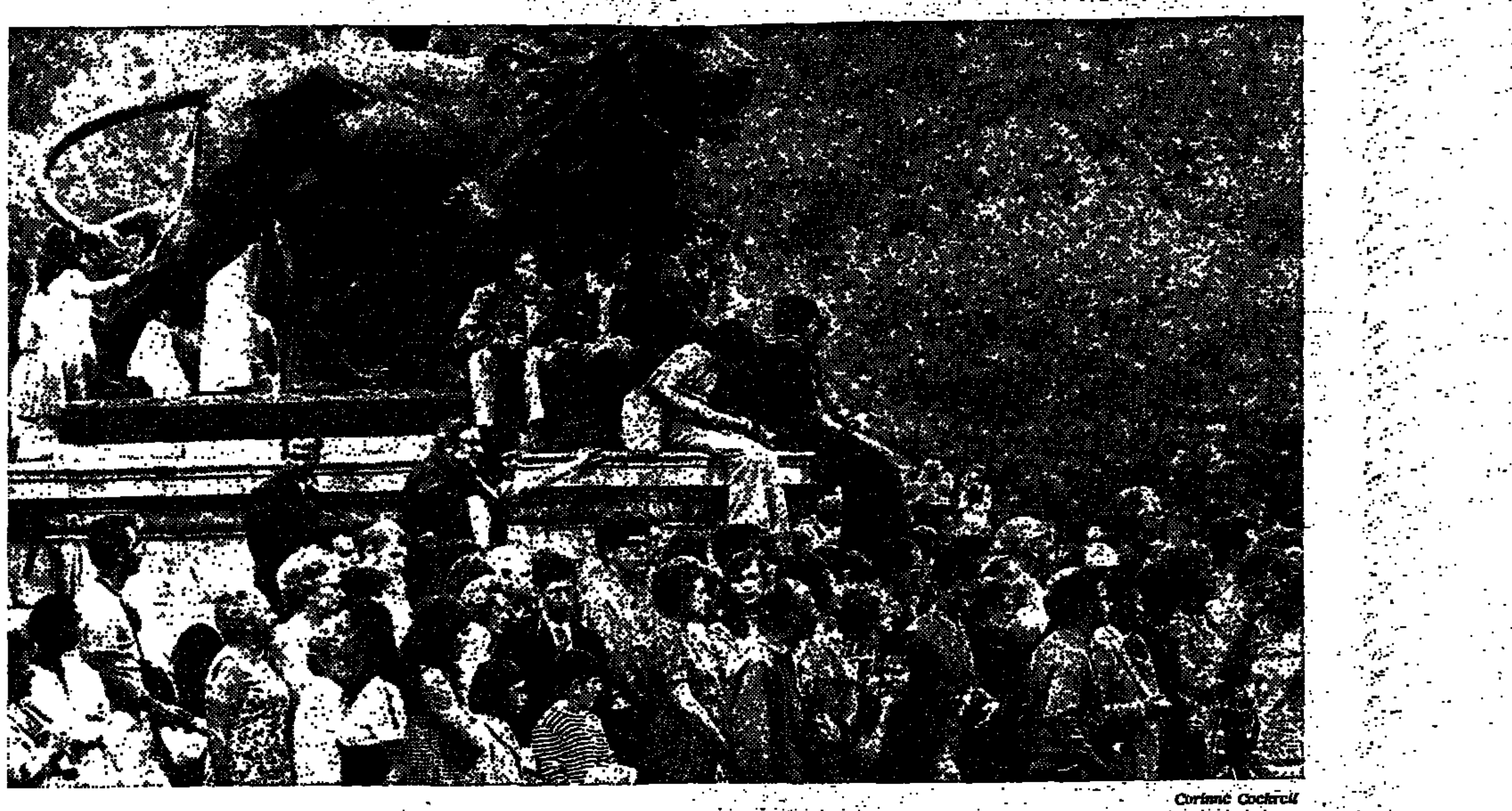
Earlier this week various sectors of the tourist supply market met in London to debate this very point and it was suggested that hotel building needed yet another prod. Mr. Jonathan Bodlender of Horwath and Horwath, a consultant, told those present that with the delays inherent in assembling a site, obtaining planning permissions and building the property, "it is probably already too late to increase the stock materially before 1982, and if the supply is to be increased by, say, 1985, action is needed now."

Mr. Bodlender pointed out that in London some 45 per cent of the hotel capital was in one borough, Westminster. Another 20 per cent was in Kensington and Chelsea. Those boroughs are crying that enough is enough. If Britain is serious about its tourist industry ambitions there may have to be further concessions.

"A shortage of 10,000 rooms in 1985," Mr. Bodlender said, "represents 20 new hotels all of the size of the London Hilton or the Royal Garden. The message is clear and simple. There is likely to be major shortage. There is also likely to be major difficulty in creating new supply to meet the shortage."

Mr. John Smith, Secretary of State for Trade, has danced nimbly along the fence. "I am aware that there is considerable concern among local authorities most closely involved about the social costs which increased investment in hotel stock would impose; on land use, noise, parking and road traffic . . . Those of us who work or live in London are of course only too aware of the pressure of tourists in the capital; and in Government we are aware that there is from time to time considerable public concern about this.

"Much comment is, I am sure, exaggerated and even in Jubilee Year London coped well enough. Nevertheless we need to ask ourselves how easily we can accommodate (in the broadest sense) further growth of visitors to the capital. Are there already constraints which could limit further growth, however desirable, to the obvious disadvantage of Britain as a whole?"



Corinne Cockrell

Outside Buckingham Palace, London: One man's tourist delight is another man's traffic jam

Convoys of coaches

In the broadest of terms those areas which are being hardest hit by the disadvantages of tourism are now beginning to ask why, if the nation benefits so much from tourist revenues, it does not contribute more to solving the problems they bring. An example of this is the pressure on London's streets caused by the convoys of coaches in procession around the capital every day. Parking space for these vehicles is very limited and to provide more can cost as much as £30,000 a space. The London boroughs do not feel that their ratepayers should foot this sort of bill.

The main area where the objections have shown themselves have, however, been in the field of a hardening attitude towards allowing more hotel building. London now has the odd prospect of very little being planned in the way of new building but an extraordinary determination on the part of many companies to buy whatever they can lay their hands on in the way of established property. As Mr. Melvyn Greene of Greene Belfield-Smith says: "It is a sellers' market and the prospective buyers are not only from OPEC countries. We have at least six major established hotel groups seeking to acquire an hotel in London. Even in the provinces, with a few exceptions, it is also a sellers' market."

This must be partly so because few companies want to plunge into the difficult business of starting from scratch. Another, suggested by Mr. Greene, is that investment institutions are showing some doubts about the hotel industry. The nervousness is due to the one-purpose nature of a hotel building; the difficulty in assessing rent reviews; and, above all, the underlying conviction that offices, shops and warehouses will in the long term increase more in value than hotels.

Mr. Greene, whose business is hotels, is obviously convinced that this view is wrong and has been badgering the pension funds, merchant banks, and leading stock brokers with his case. "We are not really seeking a situation where institutions pour money into hotels—rather a situation where many major funds selectively invest a proportion of their assets in hotels rather than ignoring the industry. One major pension fund last year had around £200m to spend. Judging from their accounts they had trouble in finding where to invest those funds."

If new hotels are not built, the pressure may not simply be a lack of space for visitors, but also rising prices for such space as there is.

Property demand

It is unfortunate that a survey of the position drawn up for the BTA by Professor Tom Medlick and Mr. Dermot Mathias indicated that future demand was likely to be strongest in lower priced properties. It also suggested that the most profitable properties were going to be those in the centre and built to luxury standards, and those on the periphery of London with accommodation for the cheaper market. The difficulty with the first of these options is that it is almost impossible to get sites or planning permissions, and with the second that hotels in fringe areas are obviously the first hit by any down-turn in trade and thus not particularly attractive to investors.

Most see the answer in putting a more determined effort into steering tourists away from London altogether and trying to ensure that they go to areas which need the economic support that tourism gives. The Government has recently added to the grant support given to tourism in the regions and the BTA itself places considerable emphasis on non-London destinations and activities in its promotional work.

The point has not been lost on the European tourist agencies as a whole. This year's report from these EEC tourist offices worries about the Community's external deficit on tourist spending (a position which would be changed if Spain, Greece and Portugal join) and says: "The task of the policy maker in the tourist industry will be to avoid bottlenecks in investment and to steer increased demand for tourism to those regions which would benefit most from the projected expansion of the tourist industry.

"The former means that action will be required to avoid lack of capacity in any of the key sectors such as transport and accommodation. Moreover, the magnitude of tourist flows is now so great that any major recession in the industry could have profound consequences for the economies of the Community. Given this, any positive measures to create a climate favourable for investment in the industry and for its promotion deserves government encouragement."

When the figures for 1978 are finally counted, and the predictions for 1979 finally completed, the British Government may be tempted to say "amen" to that particular Euroview.

Letters to the Editor

Salaries

From the Executive Directors, Chartered Union of Taxpayers

Sir,—It was with great interest that we read (December 6) a news report headed "Manager surviving income-tax demands." A survey by Inbucon Management Consultants is quoted as saying that managers in Britain are not so harshly penalised by personal income-tax as is often claimed. The report is again quoted as saying that only in France and Switzerland are management very much better off than in London, having salaries of about £14,000 after tax and living cost adjustments, compared with a UK net salary figure of £6,000 for the "average executive."

We find it difficult to understand how a similarly derived figure of £9,600 for Belgium is not acknowledged as being greatly in excess of the British figure of £6,000! Also noticeable, in your report of the survey, is the lack of comparative figures for Germany, except in terms of the relative cost of living.

It is not difficult to perceive a true picture of the relative standing of the average UK executive: it is quite clear that he falls a very long way short of the rewards achieved by his counterparts in the richer member nations of the EEC, namely France, Germany and Benelux.

Surely it is a sign of these complacent times that whenever the UK appears to be better off than Portugal, Spain, Italy and Eire, we are told that all is well and we should not complain. If we have reached the stage where we cannot bear the indignity of true comparison with the wealthy nations of Western Europe, then we deserve to remain the poor man of Europe.

Iain Brodie and Tony Fox,
71, Fleet Street, EC4.

Europay

From Mr. A. Finlay

Sir,—The decision to pay the UK Parliamentary salary to European Assembly members is deplorable treatment for our representatives that we will be electing next year. They will each be representing half a million electors, but will not be compensated for this much heavier burden. In addition, attendance of the Assembly may involve members in loss of earnings or make it impossible for any other occupation to be pursued. Perhaps a uniform attendance allowance could be paid to members?

The Cabinet decision to press for this low level of remuneration for our Assembly members seems to be a sop to anti-Marketeers who do not wish to see an effective and representative Parliament in the European Economic Community, which could deal with the problems that they so often complain about.

A Finlay,
23, Foscote Road,
Hendon, N.W.4

Awards

From Professor G. Dix

Sir,—I was interested to read your reporter Colleen Toomey's comment (December 2) in connection with the award of the FT industrial architecture prize to the Greater London Council, that the council was often the butt of criticism over its architectural designs. This may be true, but it is also true that GLC builds more than other authorities and wins far more awards for design. It would have been appropriate to mention this too.

Gerald Dix
(Lever Professor of Civic Design),
University of Liverpool,
PO Box 147,
Abercromby Square, Liverpool.

Team

From Mr. J. Brown

Sir,—Following your report (December 2) on the presentation of the Financial Times Industrial Architecture Award to Greater London Council for the refuse transfer station at Brentford, could I take the opportunity of commenting on your description of myself as architect to the building? Brentford was designed immediately after a virtually identical station at Newham (six compactors instead of 10). My role was to lead a small group of architects at the briefing and design stage of both these buildings. Full credit should also be given to Clive Crawford, who was project architect for both these buildings and to Douglas King and Alex Stok who were responsible for the detailed design resolution and building of Newham and Brentford respectively. This was a civil engineering contract and mention should be made of the many engineers who contributed, in particular, John Ferguson of public health department who both led and co-ordinated the whole project team. Finally, could I say what immense pleasure it gave me to receive the award on behalf of the GLC and all the professionals who worked on the scheme.

Jake Brown.
County Hall, SE1.

Skilled

From Mr. A. Scollin

Sir,—Your correspondent, Mr. G. H. Lisney, appears to have confused himself when he states (November 25) two contrary hypotheses: "It is noticeable that the higher the intelligence the less motivation need be given . . . it is also very noticeable how easy it is to motivate the less intelligent." All this in one sentence!

Having left school at 15, and not having a "skill", perhaps I missed out on the higher logic of the academies reserved for the more intelligent. . . .

As Lord Hailsham is reported to have said (some 25 years ago): "what we want is more skilled labourers" . . .

A. Scollin.
2, Beswick Avenue,
Heanor, Derbyshire.

Cutlery

From Mr. M. Littlewood

Sir,—That the advertising of foreign made cutlery is being attacked by the Federation of British Cutlery Manufacturers (December 4) is almost beyond belief.

British cutlers failed to invest in the 1950s and 1960s; they simply pocketed the profits. Now their equipment is hopelessly out of date there are no profits to invest. Another complaint is that foreigners land cutlery in the UK at prices lower than the price at which the British manufacturers can buy their steel. There seems to be rational answers to the problems of this industry.

A new manufacturing unit should be set up (possibly with the help of the National Enterprise Board) to produce the cheaper range of cutlery (about 90 per cent of the total consumed in the UK being imported). This unit should buy its steel from the cheapest sources available. Existing manufacturers should sell with the same flair as the importers: the importers could presumably buy their product from this source of supply.

And an import surcharge should be introduced for a limited period of time to enable the new company to establish itself successfully.

M. Littlewood.
Brookside, Whitchurch,
Ross-on-Wye, Herefordshire.

Directors

From the Managing Director, Spencer Stuart and Associates

Sir,—John Chudley and others, (December 4) make a useful point on non-executive directors but seems to me to draw the wrong conclusion.

The establishment of yet another "regulatory body" (this time to control entry to the country's boardrooms) might perhaps be seen as a means of avoiding the appointment of a very few grossly unsuitable directors. The standards imposed, however, would be either so fundamental as to be superfluous or so restrictive as to hinder the construction of boards with real collective breadth of wisdom.

The standards needed for all directors, whether executive or non-executive, are well understood by an increasing number of chairmen who would not lightly relinquish their prerogative on this subject. These standards flow from two simple tests: that each director should bring to the board a particular range of knowledge and experience which has been properly identified as being required; and that he or she has the personality and approach to permit an effective contribution to the board as a whole. I believe that neither of these qualities lend themselves to rigid and universal definition for directors in general and that this is also true in the case of the members of the audit committee itself, since their monitoring role goes so far beyond the classic auditing function.

Please do let us be careful that we do not let the baby out with the bathwater by deliberately limiting the freedom of the chairman to make imaginative appointments to his board just at the moment when so much healthy rethinking of the role of the board is going on.

Christopher D. Power.
Brook House,
113, Park Lane, W1.

Shares

From Mr. B. Cole

Sir,—The vice president of the Economic News Agency (Dec. 5) should not imply that the gross turnover of the Stock Exchange could be available for "investing in British industry." That would be economic news indeed!

For every buyer of shares there is a seller, and the vast majority of transactions result in no net new investment in shares: the seller reinvests the proceeds in other shares. This does not mean that the gross level of activity is not useful to industry, even if Mr. Lane regards it as a "vast gambling fund." The £9.5bn of new money raised for industry by the Stock Exchange last year would not be available unless there were a market for the shares.

On a more general level, there is no reason to believe that funds cannot be found for worthwile investments. The trouble is that profits are too low, and falling, and no one in government is doing anything to reverse this trend.

B. A. Cole.
"Drake Wood,"
Devonshire Avenue,
Amersham, Bucks.

Jeans

From Prof. D. Myddelton.

Sir,—The Price Commission appears to have excelled itself in impertinent advice to clothing retailers to cut their gross profit margins on jeans (December 1). Apparently the Commission feels that jeans represent a steadily expanding market where the financial risk is relatively low, and that retailers are not justified in expecting to secure normal clothing trade margins on them.

This is the language of bureaucracy: it is utterly inappropriate in the context of a market. What matters is not what the Price Commission thinks, but what customers prefer. If any retailer is charging "too much" for jeans, then competitors are free to offer lower prices to attract customers. In a free market there is no need whatsoever for prices — or profits —to be "justified."

As far as profundity of economic analysis is concerned, the Price Commission might as well say it would prefer pink jeans to blue.

D. R. Myddelton,
Cranfield School of Management,
Cranfield, Bedford.

Bills

From Mr. T. Cator

Sir, — Mr. Baillie's letter (December 5) comparing U.S. and British suppliers' methods of presenting their bills for payment made interesting reading.

The majority of UK credit card companies would appear to match their American cousins in terms of convenience and business acumen, but one has to admit that some British department stores' methods are woefully lacking in terms of consideration for their customers.

Not only present are all the faults mentioned by Mr. Baillie, but one famous London store, which suggests in its advertisements that those who enter its portals are in a different world, exploits this rather arrogant claim to the full by operating on a strict four-weekly billing system rather than by calendar month.

No doubt this curious method was designed by a computer consultant; one wonders if he bothered to check on how many of us poor workers are paid every four weeks rather than at the end of each month?

T. A. Cator.
31, Highlands Heath,
Putney Heath, SW15.

هكذا من الأصل

A NEW SCHEME FOR DOCKLAND

BY DAVID CHURCHILL

A Texan's brain child

A GOVERNMENT decision is imminent on whether to back a U.S.-style £55m trade mart in the heart of London's docklands in a move which could either bring substantial benefits to Britain's consumer industries or end up as a new jumbo-sized "white elephant" in the docks.

The plan is to convert some 133 acres of the 5,500 acres lying idle in docklands into the London International Merchandise Mart. The proposed site is in the derelict Surrey Docks—only one mile down river from Tower Bridge and accessible by road and Underground from central London. The first stage of the mart would initially comprise a six-storey, futuristic looking 1.3m sq ft of showrooms and other facilities, with a further 4.7m sq ft planned later. This would provide London with a permanent trade exhibition centre to rival anything in Europe.

The proposed complex would contain about 1,000 showrooms leased by manufacturers, their agents, wholesalers, and other suppliers from a range of consumer industries. These industries include furniture, floor coverings, household goods and accessories, fabrics, and fancy goods. Tenants would be able to display their products only to retail trade buyers all the year round in a pleasant, totally enclosed environment similar to the large shopping developments such as Brent Cross just outside Central London or the Bull Ring in Birmingham. Showrooms have glass frontages leading onto wide corridors, and are grouped together by industry. They vary in size. Furniture showrooms obviously need more space than those for jewellery manufacturers.

The mart would also give small manufacturers and wholesalers the chance to compete on more equal terms with larger companies for the attention of trade buyers. In addition, special mart "events" would be held several times each year for each industry to reflect changes in the buying seasons for various consumer sectors.

The mart could also produce the not inconsiderable benefit of creating several thousand new jobs in an area of high unemployment as well providing a "spin-off" effect on ancillary employment and, it is hoped, act as a catalyst for bringing more jobs to dockland.

The project is the brain-child of a 64-year-old Texan, Mr. Trammell Crow, and his property partnership which has successfully developed the mart concept inside and outside the U.S. The Dallas trade mart is the largest of its kind in the world, with 4.5m sq ft of showroom space housed in five buildings and visited by 400,000 professional trade buyers a year. Other marts have been built by various developers in a number of U.S. and Canadian cities, as well as in Copenhagen, Utrecht, Amsterdam and Brussels.

The Texan's problem, however, is that because Trammell Crow is a partnership rather than a property company it usually links its commercial expertise with the financial muscle of a major financial institution. In the case of the London mart, Mr. Crow is prepared to put in some £5m of his own money which, while substantial in personal terms, represents only a fraction of the total cost estimated at between £50m and £55m. Merchant bankers Hill Samuel are the London financial advisers for the project.

But the City is nervous about backing the mart since the concept has no proven track record in the UK. The Government, therefore, has been asked to underwrite the bulk of the finance required. The institutions argue that government guarantees are often given in cases where a project complements government policy, in this case its declared aim of regenerating the inner cities. The City of Brussels, it is pointed out, provided guarantees for about 80 per cent of the cost of Trammell Crow's mart just outside Brussels.

Mr. Peter Shore, who as Environment Secretary is largely responsible for the Government's inner city policy, is not surprisingly believed to be strongly in favour of the mart project. His parliamentary constituency borders on the proposed mart site in the Surrey docks. Mr. Shore is also supported by both the GLC and Southwark Council, as well as a pile of feasibility studies backing the project.

Provincial MPs

Lined up against this support are the rumblings of discontent from provincial MPs who believe that once again London is being given favoured treatment. It was the Northern MPs who—with the backing of the Government—blocked a move earlier this year to give the GLC the power to underwrite loans for projects such as the Surrey Docks mart. The Government's opposition to this was based on its belief that it alone and not a local authority should have the power to underwrite such loans.

But, more important, opposition to the mart project centres round a confidential report by the Industrial Development Advisory Board—which vets applications for government support under the 1972 and 1975 Industry Acts. Although the report has not been made public, and is unlikely to be, it is understood to have come out against the mart project.

The apparent sticking points for IDAB are two: one is the inherent risk element in the project, in spite of the success of the Dallas mart in the U.S. and Trammell Crow's UK marketing surveys which suggest the London project would be commercially viable. No one can say with any degree of certainty whether manufacturers and trade buyers would actually participate.

The other IDAB objection is believed to be based on the fact that the guarantees being asked cover the bulk of the finance for the project. IDAB is usually more disposed to favour projects where the Government involvement is about half. However, IDAB recommendations have been overturned in the past by the Cabinet.

It was in 1965 that Trammel Crow first sought permission to build a mart in London. The original proposal was to build one in Osterley Park and this would also have had to be financed from the City institutions. But the question of government backing for the project never arose at that time because the project was turned down after a public inquiry—not for reasons of commercial viability—but because the proposed site was inadequate for the mart.

But the Inspector's report, while rejecting the mart project, also concluded that "there is need in the UK for a trade market of the kind envisaged . . . and if properly sited and skilfully developed the likelihood of an outstanding commercial success and significant economic benefit is almost certain."

Rebuffed, Trammell Crow and his associates turned their attention towards building marts in the US and Europe. In the early 1970s the Brussels City fathers approached Trammell Crow to build a mart on the site of the 1958 World Trade Fair just outside Brussels. The city guaranteed the bulk of the finance for the project and the mart opened in 1975. Its progress since then, however, has been slow and critics have suggested this is because the mart idea cannot be successfully transplanted to Europe.

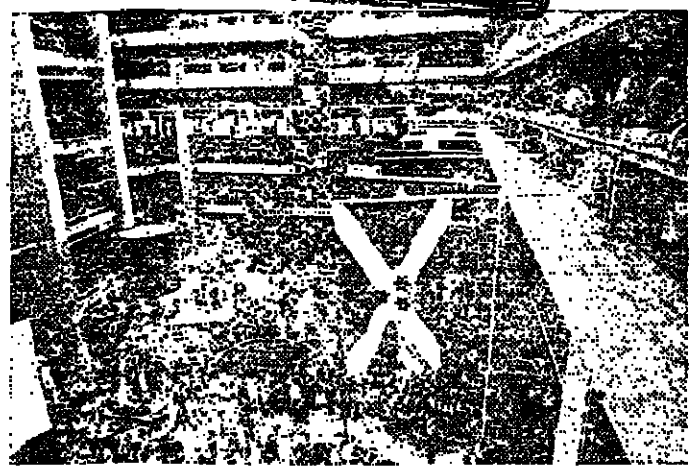
Trammell Crow, however, acknowledge that the Brussels mart has had initial problems but they claim these were due to the economic depression in Belgium and elsewhere in the world in the mid-1970s as well as to teething problems with the site. The Brussels mart is now, however, about three-quarters occupied which is understood to make it commercially viable.

Meanwhile in 1973 Mr. Trammell Crow renewed his attempt to build a London mart, this time based on the Surrey Docks which had closed down in 1970. Planning permission for the site and the wholehearted support of the GLC and Southwark were achieved—but not the City's willingness to back the project without government guarantees.

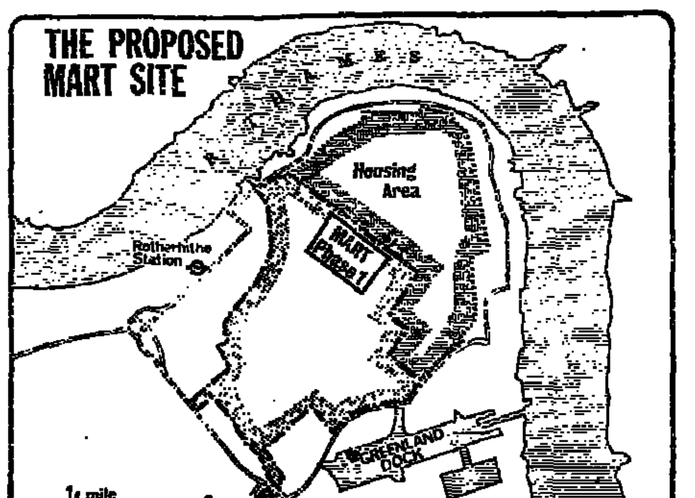
The viability of the mart project—and the basis on which the Cabinet's decision has to be taken—rests on two main issues: can a successful American idea be transplanted with equal success to Britain, and will manufacturers and trade buyers support the mart? This also raises the question whether the mart is even needed, given the trade fair facilities already available in the UK.

The Trammell Crow organisation points out that a permanent trade mart along the lines it proposes for London has more to offer than a temporary trade fair. It argues that individual trade fairs are often too specialised and therefore have a very limited appeal to the broad range of buyers. The trade mart, on the other hand, brings together under one roof a range of trades in continual association with each other. Thus it is argued that not only does the mart attract buyers for particular trade events, but also brings in buyers whose interests embrace a wider range of goods than those covered by an individual trade fair.

Trammell Crow argues that this is in line with changes in the retail trade in both the U.S. and UK, where the traditional boundaries between various trades have dwindled in importance. Chemists shops now stock various giftware ranges in addition to their traditional pharmaceutical items; clothing shops stock sports goods and sports shops stock clothing; and food supermarkets now stock a wide variety of hardware, housewares and clothing.



The 1.4m sq ft World Trade Centre in Dallas during the dedication of the sixth building in the Dallas Mart Centre



But whatever Trammell Crow's claims for the superiority of a trade mart over the more traditional trade fair—claims which the trade fair organisers reject—the real test would rest with the manufacturers and buyers. Which one is more important is hard to tell: manufacturers will exhibit where the buyers are, and buyers will go where the manufacturers are showing their goods.

Trammell Crow claims that the mart would help counter growth in consumer imports by making retailers and distributors aware of the wide range of British goods available. The mart's sponsors have already agreed with the Government to limit the number of foreign companies taking part to under 10 per cent of the total, although up to a quarter of buyers could come from overseas.

The number of manufacturers needed to join the mart to make it viable has been assessed by Trammell Crow at six out of every 100 clothing companies; five out of every 100 furniture companies; and seven out of every 100 gifts companies. Market surveys carried out for Trammell Crow suggest that these targets will be comfortably exceeded, with 30 clothing, 33 furniture, and 40 gifts companies out of every 100 likely to be good prospects as tenants.

The rent of a permanent showroom in the mart for a manufacturer would be around a basic £8.25 per sq ft at 1978 prices or, with the addition of rates, service and management charges, in the region of £13.65 a sq ft after allowing for initial discounts. These rents would be in line with other promotional expenditure for manufacturers, claims Trammell Crow.

For an average sized showroom, Trammell Crow also put a permanent mart showroom at something between 1½ and 2½ times the cost of participation in one trade fair lasting four or five days. Moreover, Trammell Crow estimates that for what it costs to employ one salesman a year, a company could lease over 80 sq metres of showroom space — about the size required by a typical clothing manufacturer.

The final decision about the proposed mart, however, rests less with financial projections of the mart's viability and more with the politics of the project. Whether it goes ahead will depend on how far Mr. Shore is prepared to push the project within the Cabinet, given its importance to the future regeneration of docklands. He could also find some allies who would welcome the advantages claimed for the smaller company participating in the mart.

Weekend Brief

Train reaction

FOR MUCH of the year a low haze of smog hangs over the Rocky Mountain foothills city of Denver, Colorado. The city itself provides the gateway to such glossy western ski resorts as Aspen and Vail. It is a quiet place normally, a mixture of light industry, agriculture, and tourism. But it was to this city, says the U.S. Government, that six Rhodesian civil airline trainee pilots came four years ago to be trained, an accusation which put the trainers concerned, United Airlines, in a U.S. court yesterday to face the accusation. United's argument is that whoever the men were, they did not announce themselves as Rhodesians.

Any mistake is understandable. The United installation at Denver has the biggest fleet of artificial aircraft in the world in the form of a £15m flight simulation centre which trains pilots for just about any airline worthy of the name in the western world who don't themselves boast similar, if less ample, equipment. Various uniforms pour through its doors. Last year alone United collected £3m in fees from other airlines, including Aer Lingus, Qantas and TAP.

Meanwhile United, second only to Aeroflot in the airline size league, has tightened up its procedures to make sure those who come to try out the mock 747s are actually who they say they are, but the airline is still very much in the international training business. "We train anyone who can afford it, and we're not cheap," said one executive in an unguarded moment. Anyone, I assume, without a Salisbury accent.

Funding arrangement

One of the best paying of the British Governments investments is one that it never made. The annual report and accounts of the Air Travel Reserve Fund Agency this week that the £14m fund managed to pay £533,273 in tax and yet spent only £31,065 on administration. The fund which the agency administers was set up by Peter Shore in the wake of the Court Line collapse and the £14m comes from surcharges on subsequent package tours by all companies. Thus it is Britain's holidaymakers who gave the Treasury the £½m plus it now looks like enjoying annually for years to come.

The jovial chairman of the agency, Somerset-based Sir Kenneth Selby, reckons he has the smallest Quango in the business. Selby himself deals with correspondence, usually at weekends. "This means that if I get a letter on Monday I sometimes don't reply until Saturday and so some people complain. But most of them don't notice." In the course of settling the post-Clarksons claims Selby personally signed 9,000 cheques.

The tax position of the Agency is one that tends to irritate the normally even-tempered Sir Kenneth. He reckons that if Shore felt that £14m was the right sum in 1975 then inflation should be considered in keeping it at the right level. But things could have been worse. When the Treasury first got wind of the plan to levy holidays at the rate of 2 per cent it said it wanted to tax that, too. "When I I heard that I just cried," said the chairmn.

At the time of the Fund's establishment it looked as if a full-blown quango-style operation would emerge for a body which is meant to compensate the passengers of package tour companies in financial difficulties. Selby instead settled for a part-time secretary and reckons that if another major crash comes then there will be enough skilled accountants around keen to earn some overtime to rescue the position. "I couldn't recruit the right sort of people for the job and then tell them to sit on their hands all year waiting for trouble. They wouldn't stay."

Selby's current campaign is aimed at cutting down further the relatively few claims he is getting at the moment—only three companies failed, all of them tiny.

His worry is that some of the companies that do find themselves in difficulties are in fact trading outside their licences, usually by selling single tickets when they are legally only to supposed to sell tours. Inevitably a company in cash difficulties is likely to be tempted to sell whatever it can, law or not. "What I'm worried about is that people will say 'don't worry, old Ken down in Bath will pay up if necessary.'"

While on the subject of travel, my apologies to the Association of British Travel Agents for suggesting last week it was getting five per cent commission on some travel insurances sold by its members. The correct figure is 2.5 per cent.

Sir Kenneth Selby: fund of energy.

Race game

This is the right time of the year to plan future cruises by small boat from the depths of an armchair.

If your cruising is to be within a 200 mile radius of the South Coast of England there can be no better guide, aid, and comfort for winter study than the new edition of the Admiralty Pilot.

Time was when the Channel Pilot was published as two volumes and was regarded by yachtsmen as somewhat obtuse, verbose, and irrelevent to their needs.

The revision in the early 1970s resulted in a single volume to cover the Channel area. But it was still heavily biased to the requirements of super-tankers rather than ten-tonners.

Now we have the new version of the Pilot which contains within a single volume a much superior coverage of the dangers along the British and French coasts from the Dover Straits to the Isles of Scilly, and the difficult waters south of Brest.

The most impressive development of the Channel Pilot (if only Sir Cloudesley Shouvell had possessed a copy!) is the clearer presentation of material in the larger page size. Detail that hitherto was compressed in the crabbed print of the Taunton Hydrographic Office now springs from the page. Hoorah for the new Hydrographer.

The Pilot also benefits from a new co-operation between the compilers and aerial photographers. There is no acknowledgement in the new edition of the men behind the cameras. But it contains a wealth of aerial shots of the trickier seaways of Britain and France such as I have not seen before in any book. Most of the headlands appear to have been photographed from seaward from 1,000-feet in gales of force 8-plus. It is likely that at least some of these superb pictures have been supplied by the helicopter crews of the Royal Navy and the Royal Air Force. Who else would be hovering off remote rocks in such weather?

The new Channel Pilot shows with realism the dangerous nature of some of the tidal races in Channel waters. One picture of the Lizard passage from seaward shows the race as a mass of white water which would be a serious danger to any yacht. Another shows the Portland Bill in close up during a hard blow. One curling wave licking in towards the Bill would be sufficient to see off a yacht or a fishing boat.

Now, I suspect the photographs were taken during winter gale conditions. But they do emphasise the oft-overlooked point that the Channel is a more dangerous place than many yachtsmen realise.

There are six races between Dover and the West Channel of what one might call senior proportions. They are off St. Catherines, Isle of Wight; St. Albans Head, Dorset; Portland Bill; the Lizard; between Alderney and the Cotentin Peninsula; and between the Ile de Sein and the Brittany coast.

If you are looking for a quiet cruising holiday my advice is to avoid them all. That can be done either by sailing around them or by taking passage through them with fair wind and tide during light weather. Any other approach will lead to, at best, discomfort, and, at worst, disaster.

All six of the great Channel Races have distinct personalities.

St. Catherines is reticent. Some sailors don't know it is there at all. But go within a mile of the point with the wind against the tide and you will feel the sharpness of its teeth.

St. Albans is vicious and brief. Weymouth fishermen say that it can be worse than the great Portland Race when caught in its darkest moods. But it has never given my boat more than a bumping about.

The Portland Race must be taken seriously. I have never sailed through it and never wish to . . . I either pass 5 miles to seaward or I take (in mild conditions) the inshore passage within hailing distance of the point itself. When the tide is right that passage is smooth while the Race can be heard thundering to seaward.

The Lizard should be treated with respect.

The Alderney Race can only be treated in one way. You take the tide through it and you never try to buck the tide. I know a racing man who was sucked into this race and did a complete circuit of Alderney while his competitors were heading away down Channel. The thing to remember about the Alderney Race is that in spite of its fearsome reputation it offers 10 miles width of deep water between the island and France and should not present dangers; although a misreading of the tidal streams can decant a vessel some 30 miles from its planned position.

In my experience the most sinister and unnerving of the great Channel Races is the Raz du Sein off a western point of Brittany. It is a short sharp passage—really a toboggan run down a water slide as the tide pours through a narrow gap. And what a sinister place it is. The lighthouse is dark, squat, and square. The tidal streams on either side bellow through the rocks. Once committed to the passage there is no turning back for the stream is too strong for second thoughts.

Each picture in the new Channel Pilot is worth more than 1,000 words warning of the ferocity of the great Races.

Contributors:
Arthur Sandles
and Roy Hodson.

Economic Diary

MONDAY—European Parliament meets in Luxembourg (until December 15). King Hussein of Jordan starts four-day visit to France, dines with President Giscard. Last day of Union of Post Office Workers' conference, Bournemouth. Central Government financial transactions—including borrowing requirement (November). Retail sales figures (November, provisional). Central Bankers meet in Basle.

TUESDAY — Mr. Gordon Richardson, Governor of the Bank of England speaks at Society of Motor Manufacturers and Traders' dinner, Grosvenor House, London. EEC Foreign Ministers call special meeting on General Agreement on Tariffs and Trade (GATT) in Brussels. U.S. Treasury's sale in Germany of Deutsche Mark denominated notes worth between DM 2.5bn and DM 3bn. Building Societies' receipts and loans figures for November. Prince Charles addresses Industrial Society conference, London.

WEDNESDAY — TUC Economic Committee meets in London. Index of industrial production for October.

THURSDAY — Mr. Roy Jenkins talks with President Carter in Washington on progress in Tokyo Round. Start of Financial Times' two-day conference on inflation accounting—the planned standard, Hilton Hotel, London. UK banking sector statistics (3rd quarter). Financing of the Central Government Borrowing Requirement (3rd quarter). Money stock (3rd quarter). Balance of Payments current account and overseas trade figures (November). UK banks' assets and liabilities and the money stock (mid-November). London dollar and sterling certificates of deposit (mid-November).

FRIDAY—Public hearings begin on constitution of New York's proposed insurance exchange. Second day of Financial Times conference on inflation accounting, Hilton Hotel, London. Usable steel production (November). Retail prices index (November). Cyclical indicators for the UK economy.

SATURDAY — Organisation of Petroleum Exporting Countries (OPEC) Ministers meet in Abu Dhabi to discuss 1978 oil price rise.

COMPANY NEWS

Burton Group recovers to £7.6m—invests heavily

With recovery in the UK menswear division—a major loss area in recent years—being sustained in the second half, Burton Group finished the 12 months to August 26, 1978, with a sharp turnround from a £5.08m loss to a £7.55m taxable profit. Sales, including VAT, were up £1.83m at £153.3m.

At midway there was a recovery from a £1.41m loss to a £5.01m surplus with a modest profit in the menswear sector.

A heavy programme of investment in shop modernisation and new shops for the group's successful retail chains was begun during the year. This has seriously distorted the sales pattern for the early part of 1978/79.

However, if the present sales trends continue first half profit in the current period will be higher than last time and the directors expect to show further progress at full time.

Following significant cost reduction and improvement in merchandise control the loss in France was considerably reduced for the year. A new chief executive was appointed in September and the directors are looking for more progress in the current year.

There was a small tax charge this time of £464,000 representing ACT written off less tax credited for over provisions in prior years. This left stated earnings per 50p share at 19.07p (loss 13.66p) or 19.38p (loss 9.18p) fully diluted.

Informal Treasury approval has been given to the net total dividend being raised to 4.5p (1.5p) by a final of 3.9p. Application has been made for formal approval of this payment.

The balance-sheet has again been strengthened by a cut in total borrowing which was reduced by £6.6m at year-end.

The quality of the portfolio of retail properties used by the divisions, was also enhanced. During the year only those shops no longer suitable for the company's new trading policies were sold, yielding £7.3m—some £1m above book value. Overall the number of shops operated was down from 706 to 559.

Menswear manufacturing again made a large loss amounting to £3.1m (£3.37m) at the operating level and the combined sales of menswear retailing and manufacturing fell from £91.4m to £83.03m.

In August another cut in manufacturing capacity was announced. The remaining four modern menswear factories are now in line with needs, and, with continuing investment in new methods and equipment, the directors forecast a substantially reduced loss from manufacturing in 1978-79.

A fundamental restructuring of the menswear business was completed during the year. The most important development was the start of the modernisation of the group's largest chain "Burton." Performance of the new and modernised Burton shops is encouraging, the directors say.

In light of the promising results from the young men's department within Burton shops, a new chain, Top Man, which caters for the younger and more fashion conscious customer, was created. It now has 44 branches and 63 modernised.

The very large investment programme in menswear retailing has intensified during 1978-79 and will continue into 1979-80. So far 55 new shops have been opened an d63 modernised.

In May it was decided to integrate Jackson with Burton, involving the closing of a factory and of a number of shops. Jackson retains its identity in the North and is profitable.

Womenswear sales rose 35 per cent to £36.61m, representing 25 per cent of group turnover, and operating profit jumped from £1.61m to £4.15m with outstanding performance by Top Shops. Considerable scope for further growth is seen here the directors say.

Peter Robinson also had a good year with better profits and in the current year its trading area at Oxford Circus will be more than doubled. Evans returned to profitability and changes in the retail and mail order merchandise mean this company is gaining a younger market while retaining its traditional one.

At Ryman trading was profitable and substantial progress was achieved, particularly in London, and a modernisation programme has been started.

Office and leisure retailing showed a turnround from £657,000 loss to £600,000 surplus on sales ahead at £18.82m (£17.16m) but the group's overseas retailing was still in loss with a £326,000 (£1.33m) deficit on sales near £1m lower at £14.84m. Income from property, net of group management services, produced a surplus of £2.54m (£2.89m).

Extraordinary debits, relating solely to the costs and provisions associated with the Jackson shop and factory closures and the reduction of Burton manufacturing capacity, amounted to £4.54m, against £9.52m last time.

	1977-78 £000	1976-77 £000
Sales including VAT	153,301	151,473
Operating profit	9,883	*1,425
Interest	3,357	4,186
Property sales	1,028	539
Pre-tax profit	7,554	*5,081
Tax	464	—
Net profit	7,090	*5,081
Extraordinary debits	4,539	9,518
Attributable	2,551	*14,599
Ordinary dividends	1,658	558

* Loss. † Profit on property sales.

Comparative figures have been restated with deferred tax in line wtih SSAP 15 and operating profit adjusted to include income and expenditure disclosed as other costs less other profits.

See Lex

Lennons boosts food margins

EXCLUDING VAT of £1.26m against £1.29m, sales of the Lennons Group rose from £30.67m to £31.22m in the 26 weeks to September 30, 1978 and pre-tax profits were £792,502 against £727,850 in the same period last year.

The interim dividend is stepped up from 0.4226p to 0.4719p, absorbing £109,020 (£98,395) after waivers of £10,338 (£8,494). Last year's total was 1.66848p from pre-tax profits of £1.48m.

Tax in the half year was £198,863 (£50,186), leaving net profit at £593,639, against £677,034.

The directors are actively negotiating for the purchase of a number of potential supermarket sites, and are vigorously pursuing the expansion of the wines and spirits subsidiary.

During the period under review the board has acquired the freehold of one of the existing supermarkets, and since the end of the period has purchased three supermarkets, formerly leased and a large development in Old Swan, Liverpool.

Despite economic conditions, the group continues to go forward and directors are confident of yet another highly satisfactory year.

● comment

In the context of the food retail sector, Lennons' 9 per cent profits rise in the first half is most encouraging, mainly because of improving margins on the supermarkets side. Here, profits are almost a third higher at £0.6m on a sales increase of 4 per cent to £21.2m. Most of the improvement is in the fresh food area where, according to the company, competition is now less severe. In contrast, however, the wines and spirits subsidiary suffered a setback, possible because of inclement weather during the summer. Also, cigarette sales have been lower—in line with falling demand. But overall, the outlook is much brighter than it was at this time last year. Food margins are being maintained in the second half and the company's off-licences are reported to be doing record business ahead of Christmas. There will also be the benefit of two additional supermarkets and nine off-licences this year. Lennons looks to be on target for at least £1.8m (£1.48m), which puts the company back on a growth rate of just under the average for the years 1970-77. But at 35p, where the yield is 7.9 per cent and the p/e 10.2, the shares are discounting most of the growth prospects.

£40,000 rise at British Building

ANNOUNCING pre-tax profits up from £124,000 to £164,000 at the halfway stage the Board of British Building and Engineering Appliances says an improved level of turnover has been maintained.

The directors, reporting on the six months to September 30, 1978, state that turnover has continued at the higher level referred to by the chairman in his latest annual statement.

He then said that for the first three months of the current year turnover was up by nearly 30 per cent over the same period for 1977.

The directors say the full year's figures should maintain this improvement. At the halfway stage turnover was up from £1.06m to £1.36m.

The interim dividend is raised from 1.1p net to 1.2p. Last year the group paid a total of 2.68p from pre-tax profits of £260,000. Stated earnings per 25p share are up from 4.96p to 6.4p.

Profit after tax is £78,000, against £60,000.

Reduction in losses at Brigray

The chairman of Brigray Group, manufacturer of clothing and jersey fabric, says in his annual statement, that following the difficult trading conditions up to April, 1978, there has been a reduction in losses in the last six months.

Active steps are in train to restructure and enlarge the group's management and to push forward with the expansion of productive capacity and turnover.

A small factory was set up in Blaenavon, and a new and larger factory is being prepared for the company by the Welsh Development Agency on the Treforest estate, Pontypridd, to replace the existing factory there.

As already known for the year to April 19, 1978, an attributable loss of £537,953 (£164,278 profit for previous 14½ months) was incurred.

Results due next week

The Stock Exchange has a busy week coming up with more than a hundred companies reporting. The majors include Trafalgar House, Distillers Company, ICL, Bass Charrington and Arthur Guinness and Son.

Half year figures from Distillers, due next Thursday, are expected to show profits up from around £77m (adjusting for United Glass) to about £85m pre-tax. Industry statistics point to worldwide whisky sales higher by 12 per cent so far this year, but it is unlikely that Distillers has achieved growth of anything like that. For a start it has lost much of its home market sales following the withdrawal of Red Label and Dimple after the EEC's decision against Distillers' dual pricing policy. Although in the export market Distillers claims to be pushing ahead into the U.S. faster than average, the group is probably nevertheless suffering some margin pressures. For the full year analysts are predicting around £180m, against £162.5m.

If it were not for the £15m profit from two property sales, Trafalgar House's full-year results, due out on Tuesday, would look very pedestrian. Analysts expect the group to turn in profits of around £59m, compared with £42.53m last time. The main difficulties are being experienced in the shipping and leisure division, although ship sales of more than £2m will give a boost. In the first half the U.S. longshoremen's strike cost £1m while industrial disruption in Australia will make a dent in the second half. Also, unfavourable currency movements will take its toll—they reduced sterling revenue by £2m in the first six months. In contrast however, other activities should show some progress, particularly newspapers and publishing which will see a handsome nine-months' contribution from Morgan-Grampian, the new acquisition.

Two more of the big breweries—Bass Charrington and Arthur Guinness—are announcing preliminary results on Thursday and Friday respectively. The wet summer has again held back lager growth and this may hit Bass, where lager accounts for 30 per cent of total barrelage. However, hotels and wines and spirits have done well and with labour relations much improved in the second half brokers are expecting pre-tax profits of £101m-£105m (£90.4m). The figures from Guinness, meanwhile, are likely to look roughly £1m better thanks to year-end changes in some of the general trading subsidiaries. The first half was particularly fraught for the company but price increases in Ireland and Nigeria and better trading in most non-beer divisions are expected to help pre-tax profits to £42.5m £44m (£39.4m).

Meanwhile analysts expect ICL to turn in profits 25 per cent higher at £37m when full year results are released on Thursday. The company's smaller sized computers are making steady progress while the rental business continues to be buoyant. At halfway, profits were up by 21 per cent to £15.8m. The company has a healthy order book and anticipates sales of more than £1bn by 1982.

Other major companies reporting include Thomas Borthwick and Son, Imperial Continental Gas, Standard Chartered Bank, Associated Engineering, MEPC, Wilkinson Match, Marley and Associated Communications Corporation (formerly ATV).

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
FINAL DIVIDENDS				
Archimedes Investment Trust	Tuesday	1.32	3.337	2.0
Associated Engineering	Thursday	1.27	3.42	1.42
Baggeridge Brick Co.	Tuesday	Nil	2.33475	Nil
Bass Charrington	Thursday	1.631533	3.216973	1.8
Borthwick (Thomas) and Sons	Tuesday	2.4	3.5	2.4
Burco Dean	Thursday	1.5	2.21835	1.675
Caravans International	Wednesday	2.0	2.62	2.2
Carr's Milling Industries	Friday	0.58	1.75	0.96
Compair	Wednesday	1.5	2.1221	1.65
Delson and Co.	Tuesday	Nil	1.5075	Nil
Dobson Park Industries	Tuesday	0.833	1.299	1.5
Dubilier	Wednesday	0.484	0.504	0.5324
Guinness (Arthur) Son and Co.	Friday	2.3204	4.6387	2.6194
Habit Precision Engineering	Tuesday	0.49443	1.50555	0.55
Hardy and Hansons	Friday	2.1	4.9	2.3
Hawkins and Tipson	Thursday	1.0	2.983	1.0
Hunslet Holdings	Friday	Nil	2.30596	Nil
ICL	Thursday	2.6	4.325	2.86
Lee (Arthur) and Sons	Wednesday	0.4	1.05	0.44
Lloyds and Scottish	Thursday	1.54	2.4065	1.7
Management Agency and Music	Monday	1.93	3.66	1.98
Marley	Thursday	1.0	1.49043	1.0
MEPC	Thursday	Nil	1.7	1.5
Martin The Newsagent	Monday	2.189	4.411	2.838
Pyke (W. J.) (Holdings)	Tuesday	Nil	0.66	Nil
Ransome Hoffmann Pollard	Tuesday	1.44	2.4022	1.44
Redfearn National Glass	Tuesday	1.269	9.291	5.28
Saatchi and Saatchi Co.	Wednesday	—	—	2.035
Serck	Wednesday	2.0	3.94	2.2
Stenhouse Holdings	Thursday	1.65	2.4	1.82
Trafalgar House	Tuesday	2.54	2.62	2.83
Trans-Oceanic Trust	Wednesday	1.5	3.5	1.5
United Scientific Holdings	Friday	0.83333	1.3052	3.0
United Spring and Steel Group	Tuesday	0.5	0.952	0.55
Vaux Breweries	Thursday	1.5075†	2.88473	1.495
Whessoe	Wednesday	1.787	2.817	1.97
Wolverhampton and Dudley Breweries	Tuesday	1.7	4.03623	2.0
INTERIM DIVIDENDS				
Audiotronic Holdings	Tuesday	Nil	0.2	
Associated Communications Corporation	Thursday	2.772	3.534	
Barker and Dobson Group	Monday	Nil	Nil	
Beechwood Construction (Holdings)	Tuesday	0.5	1.3	
Bell and Sime	Friday	0.875	3.9431	
Braithwaite and Co. Engineers	Wednesday	1.95	2.316	
Brownlee and Co.	Tuesday	0.5	1.76281	
Brown (N.) Investments	Monday	0.925	1.683	
Bulmer (H. P.) Holdings	Wednesday	4.4‡	2.2	
Callyns	Friday	2.0	4.4	
Carclo Engineering Group	Monday	1.493	1.495	
Chapman and Co. (Balham)	Tuesday	1.478	2.446	
Deritend Stamping Co.	Wednesday	3.3	6.67	

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
Distillers Co.	Thursday	2.695	4.5642	
Dom Holdings	Thursday	1.805156	3.030936	
Greene King and Sons	Friday	2.677	4.5797†	
Guthrie Corporation	Wednesday	6.0	9.0	
Heywood Williams Group	Thursday	3.35	1.34	
Imperial Continental Gas Association	Tuesday	4.0	5.506†	
Initial Services	Friday	1.25	3.32467	
Kennedy Smale	Friday	0.792	0.509†	
Latham (James)	Tuesday	2.65	4.89	
London Merchant Securities	Wednesday	0.25	0.3837	
LRC International	Wednesday	1.296	1.33	
May and Hassell	Monday	0.9382	2.12574	
Meyer (Montague L.)	Tuesday	1.7	2.97311	
Moorgate Investment Co.	Tuesday	1.5	2.32	
Norcros	Friday	1.6	2.82	
Normand Electrical Holdings	Friday	1.0643	1.7617	
Phoenix Timber Co.	Thursday	2.0	2.29759	
Preedy (Alfred) and Sons	Monday	0.575	2.275†	
Property Holding and Investment Trust	Monday	2.5	4.037	
Rowlinson Constructions Group	Monday	0.725	1.7	
Russell Brothers (Paddington)	Wednesday	1.0	3.28	
St. Georges Laundry (Worcester)	Monday	0.28	0.28	
Saint Piran	Thursday	1.25	0.76039	
Scottish Homes Investment Co.	Thursday	0.6	0.9	
South Crofty	Monday	1.65	2.475	
Standard Chartered Bank	Tuesday	7.75	11.6066	
Sterling Industries	Tuesday	0.35	0.9331	
Toothill (R. W.)	Monday	Nil	Nil	
Trafford Carpets (Holdings)	Thursday	1.0	0.675	
United Gas Industries	Thursday	0.99	2.68	
Ward and Goldstone	Tuesday	0.666	3.6718	
Warnford Investments	Wednesday	2.3781	4.3678	
Whitecroft	Monday	2.2	4.5	
Wilkinson Match	Thursday	3.78177	6.21833	
Wilson Bros.	Tuesday	0.646	0.757	
Wood (S. W.) Group	Thursday	1.5075	2.7358	
Wyndham Engineering	Wednesday	Nil	1.64	
INTERIM FIGURES				
Associated British Engineering	Monday			
British Benzol Carbonising	Friday			
Cawdaw Industrial Holdings	Wednesday			
Celestion Industries	Monday			
Cutler Guard Bridge Holdings	Wednesday			
Ferranti	Thursday			
Firth (G. M.) Metals	Wednesday			
Mitchell Somers	Thursday			
Polly Peck Holdings	Friday			
Regalian Properties	Friday			
Shaw Carpets	Wednesday			
Woodrow Wyatt Holdings	Thursday			

* Dividends shown net pence per share and adjusted for any intervening scrip issue. † Second interim. ‡ Including second interim.

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corresponding div.	Total for year	Total last year
E. Austin	int.	1.43	Feb. 10	1.28	—	3.85
Bishop's Stores	int.	1.28	—	1.21	—	‡2.59
Cardiff Malting		0.5	Mar. 20	0.8	1	1.7
Concrete Products		5	Feb. 9	3.9	6.25	4.88
James Cropper	int.	1	Jan. 13	0.5	—	1.5
Epicure		0.33	—	Nil	0.33	Nil
Erskine House	int.	0.74	—	0.66	—	1.91
B. Ferbleman	int.	Nil	—	0.39	—	0.39
K Shoes		2.01	Mar. 5	1.5	3	2.27
Lennons	int.	0.47	Jan. 19	0.42	—	1.67
North Midland Const.		0.65	—	0.65	1.1	1.1
Sogomana	int.	2	Jan. 17	1.5	—	6
White Child & Beney		3.5	Mar. 31	2.6	5.5	4.4
Jones Woodhead	int.	§1.37	Feb. 23	*1.23	—	*2.51

Dividends shown pence per share net except where otherwise stated.
*Equivalent after allowing for scrip issue. †On capital increased by rights and/or acquisition issues. ‡Plus additional third interim of 0.02085p. § Plus 0.04063p for ACT reduction.

Woodhead hopes hit by car disputes

STRIKES AND stoppages at vehicle assembly plants have meant that Jonas Woodhead and Sons has had to reduce its profit target for the current year.

The directors, reporting at the halfway stage, say the group had originally budgeted for pre-tax profits in excess of last year's record £4.95m.

They add that unrest on pay policy, higher interest rates and increasing costs make it extremely difficult to forecast the outcome of the year.

However, the group's planned capital spending programme is at a higher level than the previous year, and its financial resources are sufficient for present requirements.

Pre-tax profits for the six months to September 30 were up from £2.32m to £2.49m on turnover ahead nearly 21 per cent from £25m to £30.2m.

During the half year under review the springs and suspensions division saw an improvement in demand which was better than expected, but the downturn in the agricultural and diesel engine markets has affected parts of the general engineering division.

	Six months 1978 £000	1977 £000
Turnover	30,290	25,009
Trading profit	2,480	2,320
Associate	8	†4
Profit before tax	2,488	2,316
Tax	1,141	1,062
Net profit	1,347	1,254
Extraordinary debits	27	161
Attributable	1,320	1,093
Dividends	210	184
Retained	1,110	909

† Loss.

Results from the automotive parts division, although improved, are still disappointing, adds the Board.

The interim dividend is 1.3707p, against an equivalent 1.2275p net, and because of the ACT reduction there is an additional 0.04063p for the year ended March 31, 1978. Stated earnings per share are 9.3p, against an equivalent 8.8p. Last year the total was an equivalent 2.512p on pre-tax profits of £4.95m.

● comment

Although trading was barely affected by the Ford strike, Jonas Woodhead's interim pre-tax profits were only 7 per cent ahead on sales more than one fifth better. The most important springs and suspensions division seems to have done reasonably well but the general engineering side, where Perkins is a main customer, was hit by the depressed demand for tractors and other diesel related products. For some time now motor component suppliers have relied on the buoyant replacement market to offset problems in the UK automotive industry. This area, however, has recently been disastrous for Woodhead and in 1977-78 produced a substantial deficit. This has now been reduced following management changes earlier in the year and the company is budgeting for at least break even in the current period. Meanwhile, indications that the final outcome will be lower than previously anticipated demonstrate the damage caused by Ford—two units, for example, were put on short time working. Assuming all goes well in the remaining months, profits of £5¼m still look possible. This puts the shares at 97p on a fully taxed p/e of 5.3 and a yield of 6.5p.

Bishop's on course for full year increase

A recovery from losses in the second half last year is reported by Bishop's Stores with pre-tax profits of £407,000 for the first six months ended September 9, 1978 compared with £1.01m in the same period last year.

And present indications are that the group should show a modest increase in profit this year compared to last year's depressed £802,000, (£2.07m in 1976-77) although current wage settlements will be very costly, the directors say.

An interim dividend of 1.27915p against 1.21128p is declared and an additional third interim of 0.02085p is to be paid in respect of 1977-78—the total in that year was 2.56768p.

	28 weeks 1978 £000s	1977 £000s
Sales	64,327	57,820
Profit before tax	407	1,013
ACT	32	*32
Net profit	375	981
Dividends	65	61

*Adjusted

Mr. J. H. Bradfield, the chairman says that competition remains intense and is preventing sufficient return on capital throughout most sections of the grocery trade.

Extremely large rent increases are not helping the situation and confirm the soundness of the continuing policy to own and develop the group's main properties when practicable.

Ocean Wilsons looks for profit rise

CHAIRMAN of Ocean Wilsons (Holdings) says in his interim statement that forecasts for the Brazilian companies suggest that the profit in Cruzeiros will show a satisfactory increase over the previous year.

The sterling value of these profits at January 31, 1979 will depend on rates ruling then, but the indications are that the sterling profits will be not less than those for the previous year.

Erskine House Investments down midway

Profits before tax of Erskine House Investments were down from £172,589 to £115,291 in the half year ended September 30, 1978. Profit in the previous half year included £75,131 from the theatrical subsidiary, Michael White, sold as from April 1, this year.

Earnings per share are shown at 2.9p against 4.8p after conversion of loan stock, and 3p (5.8p) before conversion. The interim dividend is 0.737p against 0.66p—last year's total was 1.91072p from pre-tax profits of £251,000.

P. P. R. Security Services has been financially reorganised and new equipment including additional armoured vehicles brought into service. As a result the directors believe the company is now on a sound commercial base and anticipate that the second half of our year will show some improvement.

Despite the fall in the number of tourists as compared with the Jubilee Year, the group's Bureaux de Change are continuing to provide steady results.

	Half-year 1978 £	1977 £
Turnover:		
Bureaux de change	6,874,177	7,397,285
Security services	471,732	—
Other revenue	120,669	13,513
Theatrical	—	1,831,061
Total	7,466,578	9,241,799
Bureaux profit	143,582	171,223
Security loss	47,728	—
Other revenue	17,437	*73,765
Theatrical	—	75,131
Profit before tax	115,291	172,589
Tax	18,193	21,000
Net profit	97,098	151,588
Minorities	3,031	382
Attributable	94,067	152,471

* Debit.

W. Williams expects similar result

Taking into account the strikes in the motor industry and trading conditions generally, the directors of W. Williams and Sons (Holdings) estimate that profits for 1978 should equal the £216,000 pre-tax achieved last year.

Turnover for the first half of 1978 rose from £3.94m to £4.39m and trading profits were £85,000 against £1,214 in the same period last year and £125,000 in the 1976 first half.

This time, there is also an £80,000 profit on the sale of the 50 per cent interest in the South African companies.

The interim dividend is again 0.5p—last year's total was 1.125p. The group trades as a non-ferrous metal diecaster, founder, stockist and engineer.

Second half upsurge takes K Shoes to record £3.95m

RECORD pre-tax profits of £3.95m against £2.09m are announced by K Shoes for the year ended September 30, 1978, following a rise from £818,000 to £1.59m at halfway.

A final dividend of 2.01p net (1.5p), is proposed lifting the total from 2.27p to 3p; a one-for-two scrip issue is also planned. Stated earnings per 25p share are up from 11.27p to 17.78p.

Mr. S. Crookenden, chairman, says K Shoe Shops achieved another record year, helped by buoyant demand in shoe retailing which continued throughout the financial year.

The strong retail demand gave the group's factories a full workload in the last nine months of the year, and helped K Shoemakers to return to profitability for the first time since 1975.

But Mr. Crookenden adds that some parts of this business are still not fully profitable.

Cheap imports remain a significant threat and there is some way to go before K Shoemakers can be regarded as providing a satisfactory return on turnover or capital invested.

Turnover was up from £43.15m to £53.02m and pre-tax margins are ahead from 4.8 per cent to 7.4 per cent.

A valuation of freehold and long leasehold properties produced a surplus of £1.5m.

Tax for the half year is up from £382,000 to £1.27m, leaving £2.68m, against £1.7m.

Meeting, Kendal, February 15.

● comment

The long awaited recovery at K Shoes' manufacturing division has come through in a convincing way, and group profits are nearly 90 per cent higher with pre-tax margins up from 4.8 to 7.4 per cent. In the previous year the manufacturing side was held down by the disruption caused by closing the Norwich factory and the cost of redundancies. To add to its problems some overseas orders turned out to be disappointing in profit terms. But this is all behind K Shoes now, with manufacturing working at full capacity, though the company will be the first to admit that it still has some way to go before it makes a reasonable return. Meantime the retailing side has shown steady growth. Customers are tending to trade up and the trend towards elegant footwear favours the K style. This year has got off to a good start and there is some more mileage to get out of manufacturing, so profits should show a satisfactory increase. The one problem, as always, is cheaper imports which hit the UK manufacturers throughout the whole range of footwear. Thanks to the Treasury's new rules K Shoes has been able to increase the dividend by a third for a yield of 5.7 per cent at 80p. With a p/e of only 4.4 the shares look good value.

WCB climbs 41% to over £2m

ON THE back of a 19 per cent rise in sales to £19.32m White Child and Beney expanded pre-tax profit by 41 per cent from £1.52m to £2.15m for the year to October 1, 1978. Of the total, £1.7m against £1.13m came in the second six months.

At mid-year the group, which has interests in materials handling and plastics processing, reported improved surplus of £450,000 (£398,000). Then the directors said that order books had continued to improve, expenses were well contained and current assets had been held below budget levels.

The net total dividend is raised to 5.5p (4.4p) by a final of 3.5p. Though the increase is 25 per cent it is less than the maximum for which permission can be obtained the directors point out. A one-for-ten scrip issue is proposed.

Primarily as a result of capital expenditure allowances there is no tax charge this time compared with £261,938 last year. The deferred element was adjusted in line with SSAP 15, earnings per 25p share climbed from 17.1p to 29p.

Wm. Boulton in strong position

At the annual meeting of William Boulton Group, Mr. Denis Fahey, chairman, said although the results last year were satisfactory, they were achieved despite the surrounding economic and political background rather than because of it.

The current year had continued in a similar way. Although higher sales and improved order book levels had been achieved, compared with the corresponding period last year, there was no room for complacency.

Efforts over the past few years in establishing new product and customer markets, and the recent acquisitions, were strengthening the overall position.

Cropper well ahead at midway

PRE-TAX PROFIT of James Cropper and Company jumped from £37,270 to £242,689 in the half year ended September 30, 1978. Turnover rose from £4.47m to £5.06m.

For the whole of last year the group turned in record pre-tax profits of £333,000 after making a loss for the previous two years.

The dividend is raised from 0.5p net to 1p. The total for 1977-78 was 1.5p.

The Board says trading conditions are satisfactory but margins are under pressure from cost increases.

The half year profits include profit on the sale of houses of £23,157 (£26,749) and is after interest of £68,527, against £89,096. Tax takes £7,881 (£4,121).

Hallam Group's £0.38m first half loss

Losses for the first half of 1978 at the Hallam Group of Nottingham amount to £379,000 before tax against a £736,000 deficit in the same period last year. Turnover amounted to £4.76m against £4.4m.

The loss is after depreciation of £69,000 (£60,000) and interest £65,000 (£129,000). There are tax credits of £197,000 against £383,000 and the net loss is £182,000 (£58,000 after an extraordinary credit of £295,000).

In view of the continuing losses the preference dividend due on December 31 will not be paid, the directors report. The preference payments are in arrears from June 30, 1976.

Since June 30, redundancies have been announced and operations are being concentrated into part of the premises, so that surplus land and buildings can be made available for redevelopment.

Capital of the group, maker of systems buildings, is held jointly by Montague L. Meyer and May and Hassell. For 1977, a group loss of £1.47m was reported.

Baker Wardell profit ahead in first half

Profits before tax of Baker Wardell, a member of the Irish Tea Merchants group, rose from £92,416 to £195,938 in the half year ended September 29, 1978. Turnover was £2.92m against £3.18m.

The directors say trade is continuing reasonably buoyant and the rest of the year should perform in line with budget.

After tax of £72,172 against £147, earnings per share are shown at 137.52p against 102.7p.

Accounting upsets Epicure's aim

ATTRIBUTABLE profit at Epicure Holdings for the year to June 30, 1978, came out at £70,000—close to the forecast at the time of the merger with Slea Holdings in January. However, before tax the figures were upset by the loss at the 75 per cent owned Lincoln Woodworking and different accounting treatment from that used for the prospectus forecast.

With the nine months results of Slea consolidated the expectation was for a pre-tax profit of the order of £250,000. In the event consolidation of Slea's profit was only from the time of acquisition (4½ months) and a £109,000 loss from the joinery company left taxable earnings at £141,000 compared with £26,000 for the original smaller group in the previous year.

Earnings per 5p share emerged at 0.67p (0.25p).

Had nine months of Slea been consolidated trading profit would have been £253,000 before a minority loss of £20,000.

The accounts show that services to the construction industry produced a profit of £208,000 on £1.44m sales and £74,000 came from hotels and associated service on £1.55m turnover but there was a £32,000 loss on £40,000 turnover by property investment and financial services. Group turnover for 1976-77 was £1.32m.

There is a return to dividends after four years with a payment of a final of 0.33p net per 5p in line with forecast. The last payment was an interim of 0.0888p for 1973/74. When the group fell into a deficit of £18,000 (profit £98,000).

Since year-end, the group has sold the businesses of Cafrance and A L'Ecu de France, and has acquired Trevor Wallis, a road-surfacing company similar to Tyrrell, an existing subsidiary, and has launched a leasing subsidiary trading under the name "Leasemaster."

Aimed at streamlining the activities of the enlarged group the directors have begun realising some of the undervalued assets and concentrating the business into divisions with clearly identifiable activities. The rationalisation and reorganisation programme will be continued over the next year and the group's major freehold properties are to be revalued.

Near £2.5m by Concrete Products

Taxable profit at Concrete Products of Ireland, for the year to September 30, 1978, advanced to a record £2.47m, against £2.16m.

Stated earnings per 25p share were up 4.2p at 22p and a net final dividend of 5p steps up the total to 6.25p (4.875p). A one-for-two scrip issue is proposed.

The surplus was struck after interest of £283,000 (£294,000). With tax taking £711,000 (£731,000) the net balance came out at £1,762,000 compared with £1,426,000.

The group's ultimate holding company is Marley.

Durapipe improves 13% at halfway

Despite a £42,000 loss in the group's Australian associate, pre-tax profits of Durapipe International rose 13 per cent from £550,000 to £621,000 for the six months ended September 30, 1978. Turnover was well up at £6.46m against £4.04m.

The Durapipe element of the group's activities should continue to produce an improved result, the directors say, while the Ansell Jones company will endeavour to maintain its current level of performance; it is expected that the group will maintain continuing improvement.

Pre-tax profits for the 1977/78 year was a record £1.11m.

After first-half estimated tax of £197,000 against £146,000 net profit came out at £424,000 (£404,000).

The interim dividend is raised to 1.058p (0.962p) net per 25p share—last year's final was 3.117p.

Durapipe manufactures thermoplastic pressure pipe systems and lifting tackle.

Unilock well ahead at six months

Resulting from an increased rate in completions, pre-tax profits of Unilock Holdings, the demountable partitioning systems group, jumped from £307,000 to £673,000 for the six months to September 29, 1978, on sales of £4.95m against £3.71m.

Sales volume rose over 33 per cent enabling a 13.61 per cent increase in margins, compared with 8.27 per cent in last year's same period.

Mr. M. H. F. Newman, the chairman, says results were adversely affected by the company's joint venture in Saudi Arabia, which found margins to be much tighter and this, coupled with delayed completions of main contracts, resulted in a loss after nine months of its trading year.

Activity has now increased, however, and the chairman says he hopes to report an improved position after the last quarter.

He explains that the company is in the final stages of negotiations to acquire a profitable company and if this goes ahead, the cash resources applied should earn a considerably better return.

While current enquiries show some decline for the high levels of six months ago, Mr. Newman does not expect this to affect the year-end result and he forecasts a substantial rise in full year profits. Last year's taxable surplus was £777,000.

Stated half-year earnings increased from 3.29p to 6.96p per share and the net interim dividend is raised to 1.7732p (1.612p).

The company's shares are traded by M. J. H. Nightingale and Co.

North Midland Construction recovery

Continuing the progress made at halfway, when a turnround from a loss of £35,674 to a profit of £54,259 was reported, North Midland Construction Company announces a pre-tax surplus of £184,277 for the year to August 31, 1978, compared with a deficit of £84,658 for the corresponding period. Turnover for the 12 months increased from £3.4m to £4.3m.

Stated earnings per 10p shares are 5.68p (loss 4.39) and the dividend total is held at 1.1p with a final payment of 0.65p net.

After tax of £96,466 (£42,862 credit) the net profit emerges at £87,811 (£41,796).

The company operates as a civil engineer and public works contractor.

E. Austin makes headway

On increased turnover of £2.37m against £1.95m, pre-tax profits of E. Austin and Sons (London) advanced from £174,000 to £185,000 in the six months to September 30, 1978.

Tax for the period takes £96,000 (£90,500) leaving the net balance up from £83,500 to £89,000.

The net interim dividend is stepped up from 1.2775p to 1.4265p. Last year's total payment was 3.849p from profits of £405,000.

Fertleman loss midway: omits interim

Following the loss of £121,612 at the end of 1977-78, B. Fertleman and Sons, furniture maker, incurred a deficit of £145,128 in the half year to September 30, 1978, against a £21,168 profit in the first half last year.

The directors are omitting the interim dividend against the single 0.396p interim previously. The question of a dividend will be looked at again when the year's results are known.

The Board states it is disappointing to report that notwithstanding measures taken to date, the group has not yet returned to profitability.

However, production is increasing steadily resulting from recently installed new plant. Further equipment will shortly be in operation and the current loss making situation is expected to revert to profitability during early 1979.

The rationalisation of product range with emphasis on quality combined with wider market spread at home and overseas, indicates good prospects for the future.

ARMOUR TRUST

Following the report on December 5 of the auditor's qualification on the Armour Trust report, the company points out that its foreign subsidiaries ceased to trade during 1977. The directors do not consider that any further liabilities in respect of these operations can fall on the UK companies apart from the provision already made. The auditors agree with this view.

هكذا من الأصل

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and mergers

As part of its $100m expansion programme in the U.S., Redland, the UK-based building materials and contracting group, is planning to purchase the custom-made aluminium insulating storm windows and doors concern, Season-All Industries Inc. of Indiana in a deal worth £17m.

Tunnel Holdings, the UK cement group, is continuing its diversification programme by the £10.5m cash acquisition of Barrow Hepburn's predominantly overseas specialist chemical division. The deal is prompted by the latter's liquidity problems, *and the cash will be used torepay most of its UK and overseas* borrowings. Tunnel have been searching for some time for a chemicals acquisition, but the deal, which requires shareholders approval, has not yet been given the go-ahead following the *abstention from voting by Tunnel's major shareholder, Thomas W.* Ward which, with a stake of nearly 30 per cent in the company, wishes to consider the details at greater length.

BOC International has agreed in principle the £2.4m purchase *of TMG's stakes in Irish Industrial Gases and BOC Northern* Ireland that it does not already own.

Robertson Foods has acquired the home brewing business, Unican, a subsidiary of Pentland Industries for £1.6m. To meet the cost of the deal, *Robertson is issuing 1.2m shares of which* just over three-quarters are to be placed with institutions. Robertson, itself a recent takeover favourite, sees the Unican move as a further stage in its diversification programme.

Loss-making meat traders J. E. Sanger announced that a tentative approach has been made to the company.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid (£m's)**	Bidder	Final Acc'tce date
Prices in pence unless otherwise indicated.						
Bambergers	77§§	75	58	7.60	Intl. Timber	—
Cedar Hldgs.	26*	25	19	9.8	Lloyds & Scot.	—
City of Aberdeen Land	103½*	100	87	0.93	Scot. Western Trust	—
Compton Sons & Webb	73	74	73	12.46	Vantona	—
Haggas (John)	208§§	195	181	25.90	Dawson Intl.	—
Kean & Scott	10*	26	12	0.04	Unknown	—
Midland Educational	150*	236	120	2.10	Penlos	21/11
Midland Educational	245§§	236	230	3.42	A. Preedy	—
Myddleton Hotels	300*	295	215	4.41	Ladbroke	—
Peerage of Birmingham	71§§	54††	54††	2.34	Ferguson Industl. Holdings	—
Plantation Hldgs.	64*	65	64	12.89	Multi-Purpose	—
Randalls	116§§	109	98	2.65	Whitecroft	—
Sabah Timber	71½‡	66	34	12.33	Harrisons & Crosfield	—
Trident Group Printers	100*	100	84	4.38	Argus Press	29/11
Turner Curzon	8*	8	11½	1.74	S. W. Berisford	—
Warne Wright & Rowland	65½§§	64	53	6.75	F. Priest	—
Warwick Eng.	41*	41	40	2.46	Mr. N. Gidney	—

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Combined market capitalisation. ‖ Date on which scheme is expected to become operative. ** Based on 7/12/78. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ¶¶ Based on 8/12/78.

Offers for sale, placings and introductions

Mid-Kent Water: Offer by tender of £3m 8 per cent redeemable preference stock 1984 at minimum £98 per cent.

Scrip Issue

Hunting Assoc.: One ordinary and one deferred ordinary for two ordinary.

Rights Issue

Suter Elec.: Three-for-two at 10p.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
British Sugar	Sept. 24	25,376	(20,468)	40.0	(42.3)	5.304	(4.75)
Causton (Sir J.)	Sept. 30	686	(318)	9.5	(4.0)	1.0	(Nil)
Crean (J.)	June 30	1,520	(1,130)	30.5	(26.8)	10.5	(8.45)
Davenports Brew.	Sept. 30	1,560	(1,430)	9.6	(0.0)	3.09	(2.21)
Deanson	Sept. 30	202	(133)	4.7	(3.3)	2.34	(2.095)
Dennis (James H.)	Aug. 31	412	(302)	12.1	(7.6)	3.152	(2.824)
Devenish (J. & A.)	Sept. 29	1,371	(1,218)	20.7	(18.9)	6.575	(5.9)
Flexello	Sept. 30	8,340	(7,350)	18.5	(14.7)	3.342	(2.764)
Hanson Trust	Sept. 30	26,100	(24,400)	22.3	(20.3)	7.023	(6.29)
Irish Distillers	Sept. 30	7,280	(4,870)	20.9	(14.8)	5.102	(3.547)
Irish Ropes	Sept. 30	775‖	(666)	17.9	(18.8)	5.987	(5.749)
Kelsey Inds.	Sept. 30	2,140	(1,990)	26.3	(26.7)	3.612	(3.235)
Mitchell Cotts	June 30	10,236	(11,669)	7.9	(8.0)	3.456	(3.4)
NSS Newsagents	Oct. 1	3,720	(3,170)	15.5	(10.3)	2.37	(2.122)
RHM	Sept. 2	31,121	(36,458)	5.3	(6.1)	3.42	(3.288)
Richards	Sept. 30	705	(768)	3.1	(3.3)	1.155	(1.035)
Samuelson Film	Mar. 31	532	(635)	18.4	(23.1)	8.39	(7.4)
Swan Hunter	June 30	3,160	(7,290)†	9.5	(12.8)†	3.0	(10.19)†
John Williams	Sept. 30	1,209	(911)	8.3	(7.8)	2.75	(2.19)

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Arlington Motor	Sept. 30	720	(671)	2.5	(2.5)
Armitage Shanks	Sept. 30	2,024	(937)	2.01	(1.98)
Assoc. Tooling	Aug. 31	72	(52)	1.4	(1.1)
Atkins Bros.	Sept. 30	185	(266)	1.375	(1.25)
Baker Perkins	Sept. 30	3,230	(3,550)	2.1	(1.9)
Bassett (Geo.)	Oct. 13	1,510	(1,720)	1.566	(1.402)
Birmingham Mint	Sept. 30	266	(184)	1.8	(1.5)
Bremner & Co.	July 31	202	(196)	1.1	(1.015)
Brent Walker	July 16	193	(43)	0.35	(0.35)
Bristol Post	Sept. 30	1,199	(815)	3.0‡	(2.75)‡
British Tar	Sept. 30	717	(573)	0.575	(0.5)
Buckleys Brewery	Sept. 30	466	(433)	0.6	(0.55)
Burnett & Hllmshr.	Sept. 30	1,620	(1,420)	1.615‡	(1.427)
Carless Capel	Sept. 30	820	(1,050)	0.411	(0.368)
Castings	Sept. 30	356	(202)	0.6	(0.42)
Cattle's (Hldgs.)	Sept. 30	760	(608)	0.95	(0.83)
Cawoods Hldgs.	Sept. 30	3,540	(2,900)	1.080	(0.973)
Churchbury Ests.	Sept. 30	183	(123)	1.971‡	(1.755)
Coalite & Chemical	Sept. 30	6,330	(7,230)	1.03	(0.936)
Dundonian	Sept. 30	119	(61)	0.7	(0.67)
Eng. Card Clothing	Sept. 30	1,110	(1,010)	1.2	(1.13)
GEC	Sept. 30	162,900	(144,800)	2.25	(2.0)
Grant (James)	Oct. 31§	603	(381)	0.375	(0.375)
Group Lotus	June 30	347	(285)	Nil	(Nil)
GUS	Sept. 30	66,494	(53,029)	4.029	(3.609)
Hall (Matthew)	Sept. 30§	4,847	(4,352)	2.047‡	(1.761)
Highams	Sept. 30	762	(506)	0.77	(0.7)
Ingram (Harold)	Oct. 31	354	(320)	1.44	(1.29)
Intl. Timber	Sept. 30	3,614	(3,061)	3.0	(2.75)
Kleen-e-Ze	Oct. 11	236	(313)	0.875	(0.875)
Lees (John J.)	Sept. 30	48	(54)	0.6	(0.55)
LOFS	Sept. 30	1,771L	(1,254)L	—	(—)
Lyons (J.)	Sept. 15	9,000	(6,400)	—	(—)
Mansfield Brew.	Sept. 30	1,780	(1,400)	2.54	(2.31)
Marshals (Halifax)	Sept. 30	1,307	(1,066)	1.5	(0.99)
Norton (W. E.)	Sept. 30	231	(285)	0.399	(0.163)
Pegler-Hattersley	Sept. 30	5,437	(5,421)	3.55	(3.15)
Phoenix Assurance	Sept. 30§	27,400	(27,300)	—	(—)
Pilkington Bros.	Sept. 30	43,400	(29,600)	3.3	(2.88)
Plessey	Sept. 30	23,120	(22,230)	—	(—)
Rotaprint	Sept. 30	115	(111)	1.12	(1.12)
Russell (A.)	Sept. 30	324	(313)	1.688	(1.44)
Shaw & Marvin	Sept. 30	5	(13)L	Nil	(Nil)
Smith & Nephew	Oct. 7§	14,030	(11,790)	—	(—)
Smith Whitworth	Sept. 30	64	(17)L	—	(—)
Somic	Sept. 30	102	(88)	0.953	(0.866)
Stonehill Hldgs.	Nov. 12	1,010	(407)	3.5	(2.23)
Victoria Carpet	Sept. 30	369	(14)L	0.5	(0.437)
Vinten Group	Sept. 30	622	(356)	0.5	(0.333)
Wagon Indl.	Sept. 30	1,015	(1,550)	3.5	(3.0)
Wilkins & Mitchell	Sept. 30	644	(611)L	0.75‡	(0.25)

(Figures in parentheses are for corresponding period.)

Dividends shown net except where otherwise stated.

* Adjusted for any intervening scrip issue. † 18 months. ‡ Including special dividend due to change in tax rate. § Nine months. ‖ 13 months. L Loss.

EUROPEAN OPTIONS EXCHANGE

Series		Jan. Vol.	Jan. Last	Apr. Vol.	Apr. Last	July Vol.	July Last	Stock
ABN	F.360	2	15.70	—	—	—	—	F.369
ABN	F.370	6	9.10	—	—	—	—	"
AKZ	F.30	—	—	172	2.50	65	3.90	F.28.50
AKZ	F.32.50	90	0.40	140	1.50	13	2.70	"
AKZ	F.35	—	—	38	0.90	—	—	"
ARB	F.73.90	10	2.50	—	—	—	—	F.75.10
HO	F.32.50	5	2.20	—	—	—	—	F.33.80
HO	F.35	—	—	1	3.30	22	4.20	"
HO	F.37.50	16	0.80	—	—	—	—	"
HO	F.40	—	—	—	—	2	2.50	"
HO	F.45	—	—	—	—	10	170	"
IBM	$280	1	7	3	16½	—	—	$276½
IBM	$300	5	1⅝	—	—	5	18⅜	"
KLM	F.120	—	—	2	12.50	—	—	F.127.30
KLM	F.130	16	3	2	8.50	2	12	"
KLM	F.133.30	15	2.10	—	—	—	—	"
KLM	F.140	6	0.70	1	5	3	6.50	"
KLM	F.150	1	0.50	—	—	1	5.50	"
KLM	F.170	—	—	3	1	—	—	"
NN	F.108.90	5	4	—	—	—	—	F.109.50
NN	F.118.60	20	0.80	—	—	—	—	"
PHI	F.25	135	0.50	—	—	—	—	F.24.60
PHI	F.30	—	—	2	0.50	—	—	"
RD	F.120	6	4.50	—	—	—	—	F.121.20
RD	F.130	—	—	1	3.20	—	—	"
RD	F.145	—	—	10	1	—	—	"
		Feb.		May		August		
BA	$60	—	—	2	16½	—	—	$72½
BA	$80	3	3⅛	—	—	—	—	"
TOTAL VOLUME IN CONTRACTS					837			

BIDS AND DEALS

Ferguson Industrial offering £2.34m for Peerage

Ferguson Industrial Holdings has made an agreed bid worth £2.34m for Peerage of Birmingham, the manufacturer of furnishing and ornamental brassware.

The offer is one ordinary share of Ferguson and 90p in cash for every three ordinary shares in Peerage. This puts a value of 71p on each Peerage share. Its shares were *suspended* at 54p over a week ago pending an announcement.

Ferguson Industrial Holdings explained its latest bid as another attempt to lessen its dependence on the construction industry.

In recent years Ferguson has extended its activities in the *manufacture of brass oil lamps* through its subsidiary W. Redman and Ferguson feels that the latest acquisition will complement Redman's activities.

In 1977 Peerage reported pre-tax profits of £552,000, compared with £410,000, on turnover of £4.57m against £3.24m.

The balance sheet showed net assets of 41p a share (56.2p if freehold properties at a director's valuation are included).

In the first half of 1978 *Peerage's pre-tax profits slumped* from £248,000 to £126,000 and has been reported to be in bid talks since July.

In October the group said that bid talks had been considerably delayed due to a need to analyse more carefully problems incurred through foundry expansion.

Directors and certain other shareholders of Peerage have accepted the offer in respect of their beneficial holdings of 1.71m ordinary shares (51.8 per cent).

ICFC LOAN

Industrial and Commercial Finance Corporation is providing a financial package worth £140,000 for Shredabed, whose *business is* animal bedding and fertiliser manufacture.

Finance takes the form of a £60,000 loan and purchase of preference and ordinary shares.

The company was set up two years ago by Mr. G. Whitehead and Mr. T. Gardner, directors of *Exeter-based sack and paper* waste reclaimers J. H. Rowe. The original product, Shredabed, consists of newsprint waste shredded by a specially developed *machine*.

MR. LACEY LIFTS STAKE IN NATIONAL CARBONISING

Birmingham Midland Counties Trust has increased its holding in National Carbonising to 2.5m shares or 21.2 per cent.

When announcing Birmingham Midland's initial purchase of shares, Mr. Graham Ferguson *Lacey, the chairman, said he had* no intention of bidding for National.

It was BMCT's policy to build up investment stakes to around 25 per cent and in National Carbonising's case he was thinking of about 20 per cent.

MARSHALL'S UNIVERSAL

Marshall's Universal through *one of its subsidiaries—DP Automobiles*—has purchased Guildford Motors plus freehold property occupied by that company for a total of £250,000.

The freehold property at 8, North Street, Guildford, was revalued at open market value in November, 1977 at £195,000. The net assets of Guildford Motors, *excluding the freehold property,* is £14,000.

For the years ended April 30, 1977 and 1978, profits before tax, after adjustment for excess directors' *remuneration, amounted to* £28,000 and £34,000 respectively. From December 1978 DP Automobiles will be operating a Peugeot main dealership from the premises.

BERNARD WARDLE PURCHASE

Bernard Wardle, the Cheshire-based plastics group, has bought the Moswell Tool Company of Welling, Kent, in a deal worth about *£60,000*.

Moswell Tool Company is a precision engineering business specialising in the production of high quality moulds for the injection, compression and blow moulding plastics industry.

Wardle already has a precision engineering and mould making business in V.P.T. at Cricklewood and Waltham Cross into which this new acquisition will be integrated, although Moswell Tools will continue to operate from its present site at Welling in Kent.

HOULTS

Hoults, the Newcastle based *furniture removals and storage* company, has carried out a capital reorganisation. A new holding company, Hoults Holdings, controlled by Mr. F. W. Hoult and *his mother Mrs. B. Hoult,* has acquired the capital of Hoults. County Bank, the merchant bank of the National Westminster Bank group, advised the new company and has also taken a 20 per cent stake.

BARRATT EXPANDS

Barratt Developments (Hull) has acquired the capital of E. Barker, a builder and civil engineering contractor, for an *undisclosed amount.*

The acquisition is in accordance with Barratt's planned programme of expansion in Hull, Humberside and Yorkshire.

AURORA HLDGS.

In yesterday's article concerning the disposal of Samuel Osborn SA by Aurora Holdings, it was stated that the rate of South African withholding tax was 15 per cent. This should have read 5 per cent.

FIFE FORGE BUYS THOMSON BROS.

Fife Forge has purchased all the capital of Thomson Brothers (Kirkcaldy), steel merchant, ironmonger and engineer. The purchase price is £318,000 to be satisfied by 215,000 Fife shares and a payment in cash of £199,750.

At February 28, 1978, the last *date to which audited accounts* were prepared for Thomson, the net assets were £254,771, including cash and short-term deposits of £90,000, and the profit before tax was £73,786. *Currently, Thomson* has no borrowings and has cash and short-term deposits of around £150,000.

H & C FORECASTS 49p EARNINGS

Harrisons and Crosfield forecasts *that the second half of its* year to December 31 will show an improvement in the level of earnings per share, over the first half and that for the year as a whole they will not be less than 49p, compared with 50.2p in 1977.

In the document setting out the offer for the 40.9 per cent of Sabah Timber not already owned the directors forecast a final dividend of 17.53p net, making a total of 24.03p per share (21.78p in 1977).

The £12.4m bid for the minority holdings offers Sabah shareholders on H and S share for seven Sabah shares and values Sabah at £30.3m or 71.4p a share on the basis of an H and C share at 500p.

A valuation of Sabah's UK properties has produced a surplus of £5.1m over book value, which gives Sabah net tangible assets of 76p a share, according to a letter recommending the offer from the Sabah chairman, Mr. J. McLeod.

Sabah has already forecast pre-tax consolidated profit of £6.31m in the current year, against £7.04m in 1977. The fall is atributed to lower margins in the East and in the UK timber and builders' merchanting businesses.

SHARE STAKES

Sime Darby Holdings—Holdings *by companies in which Wee Cho* Yaw, director, is deemed to be interested have disposed of 156,000 shares for $474,103 leaving balance of 1.14m.

Arbuthnot Latham Holdings—London Trust Company has bought 50,000 shares increasing holding to 550,000 (8.05 per cent).

Duple International — W. S. *Yeates has acquired 220,000 shares* making holding 4,066,666 (9.59 per cent).

Berry Trust Company—United Kingdom Temperance and General *Provident* Institution holds 2.2m shares (14.46 per cent).

Centrovincial Estates—J. Gold, director, has sold 50,000 shares.

Warne Wright and Rowland—Throgmorton Trust has sold entire holding of 518,250 shares.

Lindsay and Williams—Mr. P. H. Giles, managing director, now holds 163,400 ordinary shares (15.71 per cent).

Averys — Kuwait Investment Office sold on November 28 25,000, on November 29 25,000, and on November 30 25,000, leaving interest in 2.8m (7.50 per cent).

Jatel—Camellia Investments has acquired a further 16,000 ordinary shares bringing total interest to 1,236,846 ordinary shares (81.54 *per cent*).

J. Sainsbury—Company reports following sales by directors Mr. S. D. Sainsbury 200,000 shares. Mr. T. A. D. Sainsbury 75,000 *shares and* Mr. D. J. Sainsbury 150,000 shares.

ASSOCIATE DEALS

Williams De Broe Hill Chaplin and Co. advise that County Bank, an associate of S. and W. Berisford, has acquired 130,000 Turner Curzon *ordinary shares at 7½p.*

J. Henry Schroder Wagg has sold 3,500 G.E.C. ordinary shares at 358p on behalf of associates.

WORLD STOCK MARKETS

Wall St. remains nervous

INVESTMENT DOLLAR PREMIUM

$2.60 to £1—84⅞% (83⅞%)
Effective $1.9605 39% (37⅞%)

ALTHOUGH THE economic news was somewhat bullish, further small losses were recorded in light trading on Wall Street yesterday, when traders were reluctant to open fresh commitments ahead of the weekend in view of the uncertainties surrounding the situation in Iran.

The Dow Jones Industrial Average further declined 4.24 to 811.85, reducing its net gain on the week to a mere 0.35, while the NYSE All Common Index, at $54.06, was off 24 cents on the day but still up 29 cents on the week. Trading volume further decreased 2.6m shares to 18.64m—the lowest since the 14.59m tally of November 24.

The bullish news included the third straight weekly fall in the Basic Money supply, leading analysts to conclude the Fed will not need to further tighten credit in the short run.

However, that Wholesale Prices 0.8 per cent rise in November on top of a 0.9 per cent rise in October continued to worry investors.

News that U.S. November unemployment remained at the 5.8 per cent level of October had little market impact.

Grumman fell $⅜ to $16⅞—its leased office in Isafahan, Iran, was firebombed and destroyed.

Williams Cos. dropped $⅜ to $14⅞—it agreed to sell for $13.4m its 607,400 share stake in Alton Box Board to Jefferson Smurfit for a loss of $3.7m.

Bell and Howell lost $1⅛ to $15⅛—it expects a drop in fourth quarter profits.

Esmark firmed $⅛ to $25⅜ on a fourth quarter earnings rise. Phelps Dodge gained $⅜ to $22⅜—it plans a "modest increase" in copper mine production next year. Fluor rose $1½ to $31½—it won contracts worth $10m for a Chinese copper mine project with a projected total cost of $800m.

The American SE Market Value Index lost 0.33 to 151.16, reducing its rise on the week to 0.88.

CANADA—Markets were again broadly higher in active trading, with the Toronto Composite Index up another 4.5 to 1295.0.

The Gold Share Index spurted ahead a further 53.0 to 1402.6, Metals and Minerals rose 4.8 to 1082.7, Oil and Gas 2.6 to 1790.4, Utilities 0.39 to 193.71 and Banks 1.77 to 309.48. But Papers dipped 0.53 to 154.26.

Massey-Ferguson shed $⅜ to $10⅛ on a "major deterioration" in fourth quarter results.

AMSTERDAM—Narrowly mixed in slow trading.

Among Bonds, short-terms lost up to Fl 0.30 but long-terms gained up to Fl 0.30.

AUSTRALIA—Markets firmed in fairly active trading.

Pancontinental moved up 30 cents to A$10.20 and Queensland Mines 6 cents to A$3.21.

Banking issues rose, Property stocks steady.

BRUSSELS — Mixed after another calm trading session.

Non-ferrous Metals irregular, Steels lower. Chemicals eased, Oils firm. Holdings steady, as were Electricals and Utilities.

GERMANY—Lower in continuation of Thursday's technical reaction. Virtually all sectors posted losses as professional dealers took positions for weekend and other traders preferred to remain on sidelines.

HONG KONG—Mixed following Institutional two-way trading.

PARIS—Market eased in calm trading, ahead of a report by National Statistics Institute of expected higher investment in first half next year coupled with deceleration in inflation having little to no effect on dealing.

Banks steady.

Pechiney Ugine Kuhlmann shed Frs 5 to 77 on its expected sharp fall in 1978 consolidated profits.

German, U.S. and Dutch shares eased, Golds higher.

SWITZERLAND. Quietly steady, with uncertain economic and currency prospects a dampening factor.

Leading Banks, Insurances and Financials barely changed. Industrials irregular.

Domestic and Foreign Bonds firmed in fairly active dealings.

Foreign sector quiet. Dollar stocks eased. Dutch Internationals slightly lower, Germans barely steady.

TOKYO—Higher in active trading with the New Index recording a record peak of 450.28 in the heaviest trading this year—350m (540m) shares—with investors anticipating fresh economic stimulation measures from Ohira Government.

Hitachi rose Y4 to 264 on record consolidated first half net income.

Textiles and some Chemicals also rose.

MARKETS closed—Argentina, Austria, Brazil, Chile, Italy, Liechtenstein, Peru, Portugal and Spain for Immaculate Conception.

Indices

NEW YORK —DOW JONES

	Dec. 8	Dec. 7	Dec. 6	Dec. 5	Dec. 4	Dec. 1	1978 High	1978 Low	Since Compilat'n High	Since Compilat'n Low
◆Industrials	811.85	816.09	821.90	820.51	808.85	811.50	907.74 (8/9)	742.12 (28/2)	1051.70 (11/1/73)	41.22 (2/7/32)
H'me B'nd*	86.47	86.56	86.49	86.51	86.28	86.26	90.86 (4/1)	86.12 (15/11)	—	—
Transport	215.45	216.60	218.20	218.20	215.55	216.60	261.49 (8/9)	199.31 (9/1)	279.88 (7/2/69)	12.23 (8/7/32)
Utilities	101.08	101.29	101.32	100.78	100.27	99.97	110.98 (5/1)	96.35 (14/11)	165.32 (20/4/69)	10.58 (28/4/42)
Trading vol. 000's†	15,640	21,240	29,830	25,690	22,020	26,920	—	—	—	—

– Basis of Index changed from Aug. 24 ◆ Day's high 828.49 low 812.38

Ind. div. yield %	Dec. 1	Nov. 24	Nov. 17	Year ago approx
	5.97	5.85	5.90	5.57

STANDARD AND POORS

	Dec. 8	Dec. 7	Dec. 6	Dec. 5	Dec. 4	Dec. 1	1978 High	1978 Low	Since Compilat'n High	Since Compilat'n Low
‡Industrials	107.26	107.81	108.54	108.50	106.80	108.96	116.71 (12/9)	95.52 (6/5)	154.64 (11/1/73)	3.52 (30/6/32)
‡Composite	96.65	97.08	97.49	97.44	96.15	96.28	106.88 (12/9)	86.90 (6/5)	125.85 (11/1/65)	4.40 (1/6/32)

	Dec. 6	Nov. 29	Nov. 22	Year ago (approx.)
Ind. div. yield %	5.05	5.23	5.12	4.96
Ind. P/E Ratio	8.77	8.73	8.90	8.92
Long Gov. Bond yield	8.74	8.75	8.67	7.86

N.Y.S.E. ALL COMMON

Dec. 8	Dec. 7	Dec. 6	Dec. 5	1978 High	1978 Low
54.06	54.30	54.51	54.44	60.38 (11/9)	48.57 (6/3)

Rises and Falls

	Dec. 8	Dec. 7	Dec. 6
Issues Traded	1,851	1,881	1,916
Rises	522	591	865
Falls	863	818	595
Unchanged	466	472	456
New Highs	—	—	24
New Lows	—	—	24

	Dec. 8	Dec. 7	Dec. 6	Dec. 5	1978 High	1978 Low
MONTREAL Industrial	217.60	217.41	215.92	214.98	222.14 (11/10)	152.90 (16/2)
Combined	224.84	224.25	222.52	221.91	225.61 (12/10)	170.62 (30/1)
TORONTO Composite	1295.0	1290.5	1285.2	1282.1	1582.7 (12/10)	998.2 (30/1)
JOHANNESBURG Gold	—	228.2	225.8	224.8	272.0 (14/8)	186.0 (20/4)
Industrial	—	257.7	266.9	266.7	281.8 (1/11)	194.9 (13/5)

	Dec 8	Pre-vious	1978 High	1978 Low
Australia(¶)	536.78	534.84	566.79 (28/9)	411.19 (1/3)
Belgium (‖)	97.67	97.75	101.16 (8/6)	90.43 (23/6)
Denmark(**)	91.42	91.34	96.96 (14/6)	88.08 (30/10)
France (††)	79.3	78.6	83.0 (4/10)	47.6 (3/2)
Germany(‡‡)	829.40	833.10	863.8 (19/10)	759.4 (17/5)
Holland (§§)	79.5	79.4	83.1 (11/8)	76.0 (4/4)
Hong Kong (¶¶)	522.72	521.99	707.70 (4/9)	323.4 (13/4)
Italy (‖‖)	(c)	70.76	82.25 (25/9)	55.45 (10/1)
Japan (a)	450.28	448.60	460.28 (8/12)	364.04 (4/10)
Singapore(b)	353.66	353.25	414.50 (8/9)	282.0 (9/1)

	Dec. 8	Pre-vious	1978 High	1978 Low
Spain (d)	(c)	91.70	110.78 (9/6)	87.23 (17/3)
Sweden (e)	372.57	372.39	402.00 (4/6)	325.74 (3/1)
Switzerld(f)	285.2	286.4	323.7 (14/2)	261.6 (26/9)

Indices and base dates (all base values 100 except NYSE All Common—50 Standards and Poors—10 and Toronto 300—1,000, the last named based on 1975). γ Excluding bonds. † 400 Industrials § 400 Industrials, 40 Utilities, 40 Finance and 20 Transport. ¶ Sydney All Ordinary. ‖ Belgian SE 31/12/63. ** Copenhagen SE 1/1/73. †† Paris Bourse 1961. ‡‡ Commerzbank Dec. 1953. §§ Amsterdam Industrial 1970. ¶¶ Hang Seng Bank 31/7/64. ‖‖ Banca Commerciale Italiana 1972. a Tokyo New SE 4/1/68. b Straits Times 1966. c Closed. d Madrid SE 30/12/77. e Stockholm Industrial 1/1/58. f Swiss Bank Corporation. u Unavailable.

FRIDAY'S ACTIVE STOCKS

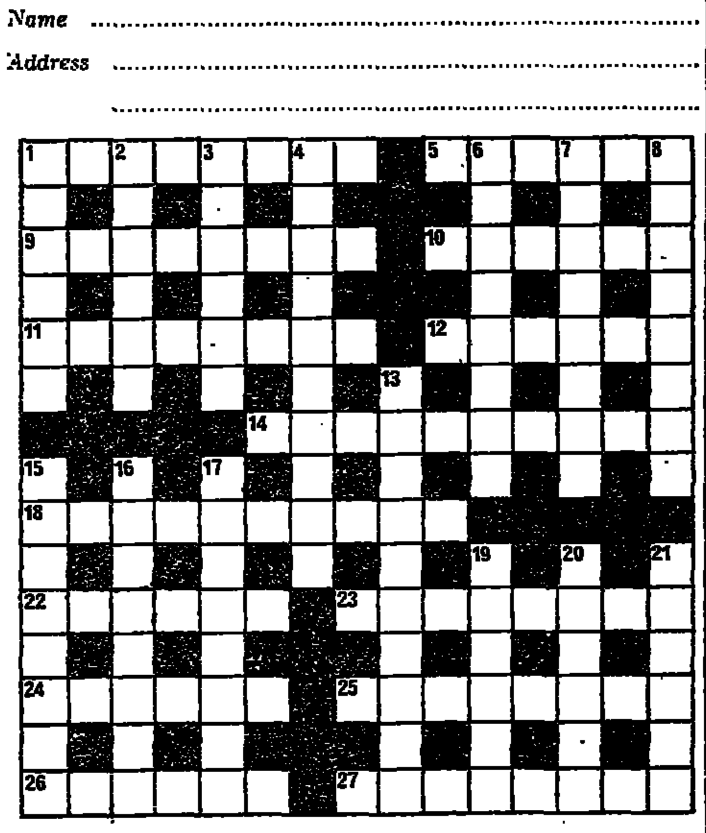
	Stocks traded	Closing price	Change on day
Sears Roebuck	201,300	21⅞	+⅛
Texaco	196,900	24⅞	—
Minn. Mining & M.	187,400	60⅞	−⅞
Southern Cal. Ed.	170,700	27⅞	—
Mid-So. Utl.	169,200	15⅞	+⅛
Con. Edison NY	156,000	24	+⅛
Ford Motor	154,400	41⅞	−⅞
Fluor	147,100	31⅞	+1⅞
Boeing	141,400	70⅞	−1⅞
Nabisco	141,400	23⅞	−⅛

F.T. CROSSWORD PUZZLE No. 3,844

A prize of £5 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10, Cannon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....



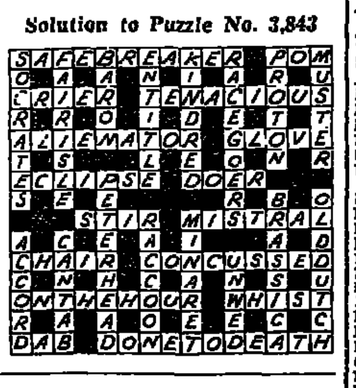
ACROSS

1 Gluttons are sure to wash (8)
5 Come down with letters of gold on carriage (6)
9 Too fastidious about French resort (4-4)
10 Key to admit inexperienced . . . (6)
11 . . . woman as effeminate (8)
12 Maybe even the Queen uses a thin overcoat (6)
14 *The two of us going to West-end finished soaked* (3, 7)
18 Be courageous enough to tackle football opponent (4, 3, 3)
22 No sole may be free (6)
23 Aspect of cricket described by English novelist (8)
24 Part of shoe is conforming (6)
25 What motorists need for a start (8)
26 Footwear obtainable for (*good gracious*) about a pound (6)
27 Temporary things collapse into mere heap (8)

DOWN

1 Do come up and perch round dog (6)
2 Wanting very much to be in key like woodwind sound (6)
3 Fiddle according to western point of view (6)
4 Canal worker who doesn't go bald (4, 6)
6 Gentlemen who were not Players (8)
7 Dressed to kill like Coppelia (6, 2)
8 Mean to be somebody at Lake Success (8)
13 Quietly approaching increase in theft (8, 2)
15 *Literal arrangement of witchcraft* (8)
16 Vehicle on river left roundabout. . . (8)
17 . . . *lest hens be disturbed in* Lancashire town (2, 6)
19 Spot sound fish (6)
20 Guess it's heavenly (6)
21 It takes a good beginner to finish article in programme (6)

Solution to Puzzle No. 3,843



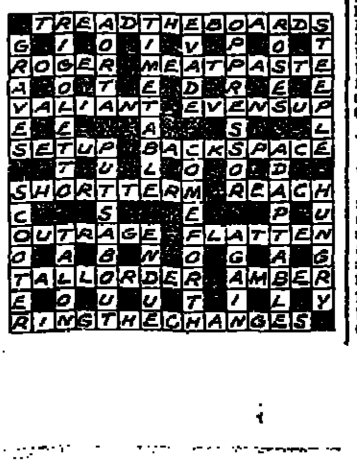
SOLUTION AND WINNERS OF PUZZLE No. 3,838

Following are winners of last Saturday's prize puzzle:

Mrs. G. Cornish, 91, Stonehurst Road, Great Barr, Birmingham.

Mr. J. Donaldson, 122, Bonkle Road, Newmains, Wishaw ML2 9AL.

Miss M. Henry, 10, Spence Terrace, North Shields, Tyne and Wear.



RACING BY DOMINIC WIGAN

Canit looks best of Gold Cup field

IN CONTRAST with many pessimistic forecasts, the field for today's Massey-Ferguson Gold Cup at Cheltenham has not cut up badly, and 15 runners, headed by that top-class performer Bachelor's Hall, will take their chance.

The two I like best in a wide open race for this two-and-a-half-mile handicap with £10,000 added prize money, are Canit and Space Project.

Canit, just a couple of pounds above the foot of the handicap with 10st 2lb, became a likely starter for today's race after finishing a creditable third on his seasonal debut at Worcester.

There the bay Canisbay gelding led The Snipe and Double Negative at the final fence in the three-mile Sportsman's Handicap only to weaken on the run in as lack of peak fitness began to tell.

That was a particularly creditable effort by Colin Tinkler's mount, who was trying to concede a good deal of weight to his conquerors, and any improvement on it will, surely, see him taking all the beating here.

Space Project, 13lb above Canit on the 11st 1lb mark, earned his place in today's line-up with a highly impressive display in the Embassy Premier Chase Qualifier at Chepstow a week ago.

There Space Project, one of only three horses trained under permit by Reg Brown at Grosmont, Gwent, drew away from Jan Stewer after the last fence but one to beat him by 20 lengths.

Although Space Project's market rival, Ramblix, was going well when catapulting John Francome out of the saddle with an awkward jump at the last ditch, it is worth remembering that Francome thought that he would not have got to the winner in any event.

In a race which could see most of the runners in contention as the field swings left-handed down into the short straight, I take Canit to profit from the weight he receives from Space Project.

There are probably few better staying chasers in the making than William Penn, and it will come as a disappointment if Ian Watkinson's mount fails to regain winning form on this, his favourite course, in the Fred Withington Pattern Chase.

William Penn, who gained his most recent success when cantering home alone in the Cheltenham Chase here after his only opponent, Orillo, had blundered away a winning chance two fences out, ran his best race to date in the Hennessy.

Keeping on strongly in the closing stages of the Newbury Chase after cutting out the early running, William Penn took third prize behind Approaching and Master H. I take him to prove too good for Lakeside, another seven-year-old with a fine Cheltenham record.

Although he is unlikely to have matters all his own way with Larryr, Flying Waiter and No Bombs in opposition, MacAdam strikes me as one of the day's best bets in the Daily Express Triumph Hurdle trial.

The Fred Rimell-trained Targowice colt made up for a disappointing effort at Stratford by scoring in impressive style at Newbury last time out, and it is no secret that Rimell rates him one of his best young prospects.

CHELTENHAM

12.30—Fox Run
1.20—McAdam***
1.55—Canit**
2.30—William Penn
3.00—Connaught Ranger*
3.30—Mount Tallant

NEW YORK

[illegible]

CANADA

[illegible]

GERMANY ◆

[illegible]

BRUSSELS/LUXEMBOURG

[illegible]

SWITZERLAND ◆

[illegible]

SPAIN ♥

[illegible]

BRAZIL

[illegible]

PARIS

[illegible]

STOCKHOLM

[illegible]

COPENHAGEN ◆

[illegible]

MILAN

[illegible]

AUSTRALIA

[illegible]

AMSTERDAM

[illegible]

OSLO

[illegible]

TOKYO ¶

[illegible]

VIENNA

[illegible]

JOHANNESBURG

[illegible]

Securities Rand U.S.$0.65 (Discount of 44%)

VW chief expects sales to top $14.2bn this year

BY ADRIAN DICKS

BONN, Dec. 8.

VOLKSWAGEN is expecting total sales this year to top the DM 27bn ($14.2bn) mark, after a highly successful performance during the first nine months which has taken profits up by 36 per cent to DM 375m.

If the 1978 sales forecast by the chairman, Herr Toni Schmuecker, proves accurate, it implies a 10 per cent rise from 1977. It would also make VW West Germany's biggest motor group in turnover terms, putting it slightly ahead of Daimler-Benz, which forecast 1978 sales of DM 26.8bn after allowing for an estimated short-fall of DM 1bn due to last spring's strike.

Deliveries by the Volkswagen-Audi group exceeded 2.3m units this year, with a little more than one-third of this figure accounted for by domestic deliveries, which were 2 per cent up to 860,000, out of total new car sales in West Germany of 2.6m units.

Herr Schmuecker predicted that after four years of boom, there was now "a greater probability of a certain dampening down" of the domestic market in 1979 — although German consumers surprised the industry this year with their continuing demand for new cars, after exactly similar predictions of a slowdown were made 12 months ago.

Export sales to Europe were down by 5.5 per cent to 440,000 units from 1977. However, VW sales performed very differently in individual countries. Paradoxically, the group experienced the strongest sales growth in Britain and Italy, where it might have expected to feel exchange rate changes most keenly, while in the stronger currency countries of Scandinavia and Austria it lost ground.

Sales on the U.S. market were down by 6.5 per cent to 277,000 units, although VW feels this was no more than typical of the experience of other foreign car makers this year. Herr Schmuecker said of the U.S. Golf assembly plant which opened this year that it had, together with other overseas manufacturing facilities, made a "distinct contribution" to profits.

However, Herr Friedrich Thomee, the finance director, made clear that the continued export of other models made in Germany to the U.S. continued to leave the group vulnerable to parity fluctuations. A fall of one pfennig in the dollar's value against the Deutsche Mark, said Herr Thomee, represented a loss of $9m to the VW group.

Herr Schmuecker reiterated VW's interest in diversifying into industries that would give it protection against the extreme cyclical fluctuations of the motor sector.

Meanwhile investment by VW this year was up by DM 500m from 1977's DM 1.7bn. There will be an increase in distributed profits, in view of the capital increase carried out this year, but the company is not yet committing itself to any prediction that the payout per share will rise.

Poseidon shares to be relisted next week

ADELAIDE, Dec. 8.

POSEIDON shares will be relisted on Australian stock exchanges on December 14 after the company formally came out of two years' receivership today.

Poseidon also announced it will make a one-for-one rights issue at 20 cents par to shareholders registered on January 19.

The issue will be based on a share capital lifted to 8.48m shares from 7.71m by a new placement of 770,000 shares at a 20 cents premium with Commonwealth Mining Investments (Australia).

Commonwealth Mining, a unit of the National Mutual Life Association of Australasia, will take up its issue entitlement.

Application money is payable in full by February 16 and the new shares, as well as the placement shares, rank equally with existing shares.

Poseidon said the placement raised A$308,000 (US$350,000) and in addition it arranged an overdraft facility with the Bank of Adelaide.

The proceeds of the rights issue, about A$1.7m, will be used for additional working capital and to repay the bank overdraft.

Sydney stockbroker, Hordern Utz and Bode, has underwritten the issue.

Poseidon said the receiver/manager appointed by its major creditor, the Australian Industry Development Corporation (AIDC), formally retired today after the settlement of all outstanding claims.

Arrangements have also been made to settle all other unsecured debt.

Reuter

NORWAY'S VOLVO STAKE

Coming to terms at last

BY WILLIAM DULLFORCE IN OSLO

UNDER THE new agreement with Norway, the present Volvo company will transfer most of its operations and assets to a new joint company, Volvo (Swedish-Norwegian) Corporation. A new holding company, Svenska AB Volvo, will take over 960,000 Volvo shares to a nominal value of SKr 960m ($218m). At the same time, a new share issue of 640,000 shares will be made to Norsk Volvo A/S, the new holding company to be formed in Norway, in return for its capital input of SKr 750m.

Volvo Flygmotor, the subsidiary which makes engines under licence for the Swedish Air Force and which is the most profitable part of the present Volvo group, will not become part of the new corporation but will remain a wholly-owned subsidiary of the Swedish holding company. The same is true of the newly formed Volvo Petroleum Company, which is being given concession rights in the Norwegian North Sea. This will have an initial share capital of SKr 25m.

The Norwegian holding company will have a share capital of NKr 300m ($60m) and will issue seven or eight-year convertible bonds, also to a value of NKr 300m. Both the shares and the bonds are to be held half by the Norwegian State and half by private investors. The Norwegian Volvo Company will also raise NKr 290m through a bond issue.

Norway has arranged for the Volvo share capital in the Norwegian holding company to be raised through an issue to the major banks which will offer the shares on the open market. The same will apply to the bond issue. But there are doubts about the Oslo markets' ability to absorb issues of this size

The Norwegian Government has made a preliminary arrangement for the private share capital in the Norwegian holding company to be raised through an issue to the three leading Norwegian banks, which will later attempt to sell the shares on the open market. The same system is to be used for the convertible bond issue. There is considerable doubt, however, whether the small Oslo stock exchange can absorb issues of this size.

The Volvo (Swedish-Norwegian) Corporation will have a Board of 14 directors, of whom six will be appointed by the Swedish holding company and four by the Norwegian holding company.

The prospectus issued to the Volvo shareholders today states that the Board will recommend an unchanged dividend of SKr 6 a share for 1978. The dividend from Volvo (Swedish-Norwegian) Corporation to the Swedish holding company in 1979 is expected to be between SKr 112.5m and SKr 120m, which compares with the total dividend of SKr 106m paid by Volvo in 1977.

The dividend to the Norwegian holding company would, on the same basis, correspond to between SKr 75m and SKr 80m, but only that part would be paid out in 1979 corresponding to the period under which the new corporation had disposed of the Norwegians' SKr 750m share capital.

The Swedish holding company will also receive a dividend from Volvo Flygmotor, but on the other hand it will have to finance Volvo Petroleum's prospecting expenses in the North Sea. These are expected to amount to between SKr 15m and SKr 25m a year for the next three or four years, but up to half the costs can be covered by credits from the Swedish state under a scheme designed to stimulate the search for oil by Swedish companies.

Standard Indiana buys into coal

BY DAVID LASCELLES

NEW YORK, Dec. 8.

UNDERLINING THE already marked trend in oil company diversification, Standard Indiana announced that it is to buy a coal company in a share exchange deal valued at about $40m. The company is Blue Diamond Coal, whose main coal assets lie in Tennessee and Kentucky.

This venture by the sixth largest U.S. oil company would be its first into the field of coal mining, a company spokesman said today. He added: "The minerals business—in the mid-term — is something we are very interested in. We feel that it lies within our area of expertise, which includes mining and geology."

Under the deal, yet to be approved by Blue Diamond shareholders and subject to a business investigation by Standard, about 6.5 Standard shares will be issued initially for each of Blue Diamond's 400,000 shares. Up to half a Standard share would also be issued later depending on the resolution of certain lawsuits against Blue Diamond and other contingencies.

The company would become part of Standard's subsidiary, Amoco Minerals Company, whose existing interests include manganese, oil shale and gold mining.

A company spokesman said that no anti-trust objections to the deal were expected.

Brown Boveri in $80m issue

BY JOHN WICKS

ZURICH, Dec. 8.

WORKING THROUGH its Dutch Antilles subsidiary, BBC Brown Boveri Finance (Curacao) NV, the Swiss based Brown Boveri Group is to issue approximately $80m worth of convertible dollar bonds. The 15-year bonds, which will have a unit value of about $1,000, will be exchangeable between July 1, 1979, and final maturity on December 31, 1993, into "initially" five participation certificates of parent company BBC AG Brown, Boveri and Cie.

Definitive details of the issue's nominal value, coupon and issue price will be fixed on December 20. However, the Swiss undertaking says that a 4.5 per cent interest rate has been "provisionally foreseen as an indicator," whereby the conversion premium will probably not exceed 10 per cent.

The issue will be handled by a consortium led by the Union Bank of Switzerland (Securities) Ltd., London, which includes Swiss Bank Corporation (Overseas) and Credit Suisse First Boston.

Proceeds from the issue will go primarily to finance existing commitments in the U.S. Existing shareholders will now have drawing rights on the bonds, only 25 per cent of the issue being allowed to be placed in Switzerland: sales to Swiss residents will be exclusively via Swiss members of the selling group.

At the same time, a Swiss franc issue—probably of SwFr 100m ($55.5m) will be floated next month by the Swiss parent to permit partial replacement of two prematurely-redeemed issues with coupons of 6 per cent and 5½ per cent, respectively, and totalling SwFr 150m.

At a Press conference held in Daettwil, near Baden, a Brown Boveri spokesman said that although the dollar issue was intended for standing engagements in the United States, the group's North American expansion programme was not yet concluded. There were, however, no concrete negotiations for further acquisitions in progress.

At the same time, the company announces that the Brown Boveri Group's consolidated cash flow will this year fall short of the SwFr 645m record registered for 1977, a result partly of exchange rate developments. Group turnover is seen as amounting to about SwFr 8.19bn reached last year for the same reason, sales in local currencies having risen.

The new order volume will also have been much higher in terms of local currencies, but will prove to be only slightly higher than the SwFr 9.24bn recorded last year.

Central Trust plea on Credit Foncier bid

By Robert Gibbens

MONTREAL, Dec. 8.

CENTRAL AND EASTERN Trust Company, which early this week made a C$ 65m bid for control of Credit Foncier Franco-Canadien, the Montreal-based national mortgage and financial services company, says it hopes to persuade the Quebec government that a deal would be in the best interest of the province.

Central bid C$ 138 a share for 55 per cent of Credit Foncier's outstanding stock. The government replied swiftly that it would pass legislation requiring its approval for any takeover of a Quebec-chartered lending or financial institution.

Mr. Henry Rhude, Central president, argues repatriation of Credit Foncier control to Canada from French and Belgian investors "is in the interest of Quebec" and he hopes to persuade Quebec officials. A decision whether to go ahead with the bid depends on the outcome.

HK Land reveals property cost

BY RON RICHARDSON

HONG KONG, Dec. 8.

HONGKONG LAND has bowed to pressure from the Colony's Securities Commission and minority shareholders and revealed details of its recent controversial purchase of Gammon House, in the prime Central District of Hong Kong Island.

In a statement to the Hong Kong Stock Exchange, the property company said the total purchase price of the three-year-old building was HK$715m (U.S.$149m). Half of the purchase price will be paid on completion of the sale on December 28, with the remainder due six months later.

The deal will be financed from the company's internal resources "which are being enhanced by the arrangement of long-term banking facilities aggregating HK$700m," directors reported.

The interest cost of a bank accommodation of this size at present interest rates in Hong Kong would be in the vicinity of HK$60m, while the current gross income from the new building, which is fully let, is only HK$43.2m.

Criticism of the previous silence on the deal has centred on the fact that it represents a substantial deployment of assets, even for a company the size of Hongkong Land.

Additionally, it has been suggested the purchase price for Gammon House, although previously undisclosed, was so high that it involved a negative return on the property.

Hongkong Land executive director and general manager, Mr. Trevor Bedford, said today that at current valuations, Gammon House represented less than 10 per cent of the company's property portfolio.

SAPAC holds payout

BY OUR OWN CORRESPONDENT

ZURICH, Dec. 8.

THE CANADIAN holding company, SAPAC Corporation, of New Brunswick, has announced the distribution for the financial year ended September 30 of an unchanged dividend of SwFr 550 ($319) per share. The SAPAC group consists of subsidiaries of the Swiss chemical and pharmaceutical concern F. Hoffmann-La Roche in North and Latin America, the former sterling area, Africa and the Far East.

Over the past years, SAPAC has paid the same dividend as that subsequently announced for the calendar year by Hoffmann-La Roche. This indicates that the Basle-based parent company is also likely to repeat its 1977 dividend of SwFr 550 for this year. Payment on the twinned shares of Roche and SAPAC has totalled SwFr 1,100 since 1974.

COMMODITIES/Review of the week

Tin market slips despite rally but copper gets a boost

BY JOHN EDWARDS, COMMODITIES EDITOR

TIN PRICES fell sharply this week, despite rallying slightly yesterday. Standard grade cash tin closed last night £230 down on the week at £7,345 a tonne. In Penang, the Straits tin was M$91 lower at M$1,855 a picul (133.31 lb).

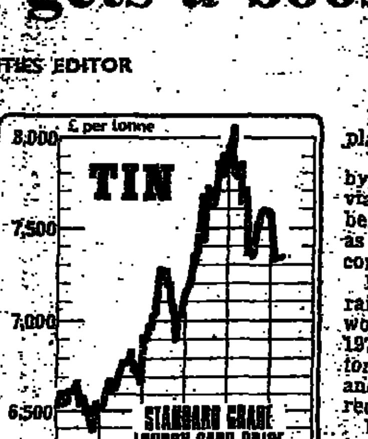
There was no specific reason for the decline. Indeed, developments during the week were if anything "bullish." There was a strike at the Bolivian tin mines, which ended after only 36 hours. But of more importance was a fall in Metal Exchange warehouse stocks, and forecasts of another hefty decline.

Nevertheless, dealers said the market was somewhat overbought, and once some sustained "hedge" selling came in, there was little buying resistance and prices fell rapidly. Trade buying interest at the lower price levels stabilised the market.

But always in the background is the expectation that the U.S. will go ahead in January with plans to release surplus tin from the strategic stockpile.

There was a similar pattern in lead. Prices ended the week lower despite a big fall in warehouse stocks, down by 7,000 tonnes to 19,850 tonnes—the lowest total since early 1975. Another more modest stocks decline is forecast.

However, the market remains extremely nervous at the higher levels and is, therefore, vulnerable to bursts of profit-taking selling. The fundamental supply-demand position remains strong with shortages of both primary and secondary lead.



Copper was temporarily boosted by yet another decline in warehouse stocks, and a strike by workers at the Cuajone mine in Peru. However, it was confirmed yesterday that the Cuajone strike had been called off when workers at other Peruvian copper mines failed to come out in sympathy.

In Canada, talks aimed at settling the two-month-old strike at International Nickel's Sudbury mines [illegible] with the company apparently not changing its offer on contract terms.

Nevertheless, further talks are planned.

World sugar prices were lifted by rumours of Chinese purchases via Japanese merchants. It was believed the purchases could be as much as 200,000 tonnes, but no confirmation was available.

F. O. Licht, sugar statitician, raised his second estimate of world sugar production in 1978-1979 to 92.16m tonnes, 1.2m tonnes above his first estimate and only 1.4m tonnes below the record crop in 1977-78.

It was pointed out that if this latest estimate proves correct there is likely to be another surplus of sugar output this season, compared with earlier predictions of a significant reduction.

The International Coffee Organisation forecast that world production of coffee in 1978-79 would be much the same as the 1977-78 crop of 71.11m bags (of 60 kilos each) despite the frost damage to the forthcoming Brazilian crop.

Mexico confirmed that it was allowing sales of coffee at below the minimum export price level. But this had already been discounted by the market, which showed resistance again falling any lower.

In Geneva last night it was reported that negotiations for an international rubber agreement had ended after four weeks still divided on the key issues of price levels and the size of buffer stocks.

WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'ge on week	Year ago	1978 High	1978 Low
Metals	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Grains	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

	Latest prices per tonne unless stated	Ch'ge on week	Year ago	1978 High	1978 Low
Wheat	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Seeds	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Other Commodities	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

† Unquoted. * Nominal. ‡ Madagascar.

MARKET REPORTS

BASE METALS

COPPER—Eased on the London Metal Exchange after forward metal started at £789-£790 helped by forecasts of a stocks decline. Heavy hedge selling from two quarters helped a fall to £785, but the price moved up when Comex started higher than expected. Later it slipped back again, partly in reaction to the end of the Cuajone strike, to close on the Kerb at £786. Turnover 20,900 tonnes.

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £768.5, 68, three months £788, 87.5, 87, 86.5, 86, 85.5, 85. Cathodes, cash £754, three months £773, 74, 73.5. Kerb: Wirebars, cash £768, early January £773, three months £785, 85.5, 86, 85.5. Afternoon: Wirebars, three months £787, 86.5, 87, 87.5, 86, 85.5. Kerb: Wirebars, three months £785, 85.5, 86.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	767.5-8	—4.5	768.5-9.5	—1
3 months	784.5-5	—3.5	785-6	—2
Settl'm'nt	768	—4.5	—	......
Cathodes				
Cash	753.5-4.5	—4.75	756-8	—.5
3 months	773-.5	—3	774-5	—1.25
Settl'm'nt	754.5	—4.5	—	......
U.S. Smt.	—	.....	*72	......

TIN—Moved narrowly after forward metal started at £7,230 following steadiness in the East overnight. The price hovered around £7,225-£7,230 in quiet trading before profit-taking caused a decline to £7,205 and a close on the Kerb of £7,215. Turnover 1,220 tonnes.

Morning: Standard, cash £7,360, 55, 50, three months £7,225, 20, 25, 15, 20, 25, 20. Kerb: Standard, three months £7,220, 15. Afternoon: Standard three months £7,220, 25, 20. Kerb: Standard, three months £7,210, 05, 15, 18, 17.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7352-60	+1	7340-50	+25
3 months	7220-35	+20	7220-35	+30
Settlem't	7360	......	—	......
Standard				
Cash	7350-5	—2.5	7340-50	+35
3 months	7215-25	+22.5	7215-20	+25
Settlem't	7355	—5	—	......
Straits E.	†$1855	+10	—	......
New York	—	......		

LEAD—Fell away after forward metal started at £412-£414, helped by forecasts of a stocks decline. Trading was active and the undertone remained firm although the price tailed off on end-of-week profit-taking to close on the Kerb at the low of the day of £409.25. Turnover 8,650 tonnes.

Morning: Cash £433, 34, 35, 37, 36, three months £411, 10.5, 10, 09, 08, 09, 10, 10.5. Kerb: Cash £437, three months £411. Afternoon: Three months £411, 12, 12.5, 10, 10.5. Kerb: Three months £410, 09, 08.5, 09, 09.5.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	436-7	—2	435-7	+2.5
3 months	410-.5	—2	410.5-11	+.5
Sett'ment	437	—2	—	......
U.S. Spot	—	......	*36.36	......

ZINC—Quiet in routine trading with forecasts of a stocks decline holding the market up. Forward metal started at £357-£358, spent long periods around £355 and closed on the Kerb at £354.75. Turnover 4,600 tonnes.

Morning: Cash £345, 44.5, three months £356, 56.5, 56, 55.5, 55. Kerb: Three months £355. Afternoon: Cash £345, 45.5, three months £355, 55.5, 54.5, 55.5, 56. Kerb: Three months £355.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	344.5-5	[illegible]	345.5	[illegible]
3 months	355-.5	[illegible]	355.5	[illegible]
S'ment	345	[illegible]	—	......
Prim.west	[illegible]	......	[illegible]	......

ALUMINIUM—[illegible]

Aluminium	a.m. Official	+ or —	p.m. Unofficial	+ or —
Spot	[illegible]	[illegible]	[illegible]	[illegible]
3 months	624.5-5.5	[illegible]	624.5-5	[illegible]

* Cents per pound. † $M per picul. ‡ On previous unofficial close.

SILVER

Silver was fixed 0.15p an ounce lower for spot delivery in the London bullion market yesterday at 300.2p. U.S. cent equivalents of the fixing levels were: spot 585.4c, down 0.3c; three-month 598.4c, down 0.3c; six-month 609.7c, up 0.3c; and 12-month 634.6c, up 0.1c. The metal opened at 299½-300½p (585-586½c) and closed at 298½-299½p (586-587½c).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. close	+ or —
Spot	300.20p	—0.15	300.4p	+0.7
3 months	308.30p	—0.25	308.35p	—0.8
6 months	315.80p	—0.15	—	......
12 months	331.80p	—0.30	—	......

LME—Turnover 213 (243) lots of 10,000 ozs. Morning: Cash 300.3. Three months 308.2, 8.2. Kerbs: Three months 308.2. Afternoon: Three months 308.3. Kerbs: Three months 308.3, 8.2, 8, 8.1.

COCOA

Prices continued to ease throughout the day due to further long liquidation with little buying interest apparent for futures, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
Dec.	2010.0-11.0	—13.5	2036.0-08.0
March	2062.0-63.0	—35.0	2105.0-2056
May	2194.0-95.0	+74.0	2151.0-2092
July	2094.0-97.0	+76.5	2128.0-2081
Sept	2061.0-65.0	—24.0	2110.0-2080
Dec.	2052.0-54.0	—20.0	2077.0-51.0
March	2030.0-35.0	—27.5	2046.0-30.0

Sales: 2,765 (3,331) lots of 10 tonnes.

International Cocoa Organisation (U.S. cents per pound): Daily prices for Dec. 7: 151.35 (151.27). Indicator prices Dec. 8: 15-day average 155.36 (155.67); 22-day average 154.10 (153.93).

COFFEE

Late support buying forced Robustas to the highs after a generally dull day, Drexel Burnham Lambert reports. Earlier activity centred on switch trading in a hesitant market. Final values were about unchanged.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
January	1438-1440	—0.50	1440-26
March	1307-1308	—2.00	1311-1296
May	1247-1248	......	1250-36
July	1207-1209	+1.50	1210-1195
September	1173-1178	+0.50	1172-66
November	1145-1150	......	—
January	1111-1130	—8.50	—

Sales: 1,635 (1,966) lots of 5 tonnes.

ICO Indicator prices for Dec. 7 (U.S. cents per pound): Colombian Mild Arabicas 173.00 (same); unwashed Arabicas 143.00 (same); other Mild Arabicas 132.67 (132.00); Robustas ICA 1976 135.00 (same); Robustas ICA 1968 136.00 (same). Daily average 133.54 (133.50).

GRAINS

Grains opened 10p lower on old crop wheat and 15-25p lower on old crop barley. In good volume old crop wheat eased on commercial and country selling to trade 50-60p lower. Barley values also eased in good volume to close 40-45p lower. New crops saw a little more trade but eased to close 25-30p lower on wheat and 10p lower in barley, reports Acli.

M'nth	WHEAT Yesterday's close	+ or —	BARLEY Yesterday's close	+ or —
Jan.	91.10	—0.60	83.60	—0.60
Mar.	93.70	—0.55	86.00	—0.55
May	96.20	[illegible]	88.40	[illegible]
Sep.	85.80	[illegible]	80.90	[illegible]
Nov.	91.90	[illegible]	83.80	[illegible]

Business done—Wheat: [illegible]

IMPORTED—Wheat: CWRS No. 1, 13½ per cent, Dec. 96.50 quoted Tilbury. U.S. Dark Northern Spring No. 2, 14 per cent, Dec. 90.50, Jan. 92.25, Feb. 93.25 transhipment east coast. U.S. Hard Winter, 13½ per cent, Dec. 86, Jan. 86.50, Feb. 87.75, transhipment east coast. EEC unquoted. Maize: U.S./French unquoted. French Dec. [illegible] Yellow Jan. 97.50, 5, African Yellow Jan. 87.50. Barley: English feed fob Dec. [illegible]

HGCA—Location ex-farm spot prices. Feed barley: Norfolk 80.90. The U.K. monetary coefficient for the week beginning December 11 will remain unchanged.

RUBBER

UNCHANGED opening on the London physical market. Little interest, closing easier. Lewis and Peat reported the Malaysian godown price was 242 (239) cents a kilo (buyer, December).

No. 1 R.S.S.	Yesterday's Close	Previous Close	Business Done
Jan	59.75-60.30	60.80-61.00	—
Feb	60.80-61.25	61.50-61.70	—
Jan-Mar	60.85-61.25	61.70-61.80	61.00
Apr-Jne	63.30-63.40	64.05-64.10	64.10-63.25
Jly-Sept	65.70-65.75	66.40-66.45	66.40-65.60
Oct-Dec	67.90-68.00	68.65-68.70	68.15-68.00
Jan-Mar	70.20-70.25	70.85-70.90	70.30-70.15
Apr-Jne	72.40-72.55	73.20-73.40	72.50
Jy-Sept	74.80-74.90	75.45-75.60	74.80

Sales: 201 (325) lots of 15 tonnes.

Physical closing prices (buyers) were: Spot 59.75p (60.25); Jan. 60.25p (60.50); Feb. 61.25p (61.50).

SOYABEAN MEAL

	Yesterday Close	+ or —	Business Done
	£ per tonne		
December	123.00-26.0	+1.5	—
February	129.00-29.2	—0.10	31.50-28.70
April	128.80-29.0	—0.40	30.70-28.90
June	125.80-26.5	—0.20	26.80-26.00
August	126.00-27.0	—0.50	27.00
October	125.60-28.5	—0.60	27.70-27.50
December	125.00-29.0	—	

SUGAR

LONDON DAILY PRICE (raw sugar) £101 (£99) a tonne cif for Nov.-Dec. shipment. White sugar daily price was fixed at £102 (£100).

WHITE SUGAR—Close (in order buyer, seller, business, sales). Feb. 105.95, 106.00, nil, nil; April 109.10, 109.25, 109.35, 108.50, 52; July 115.00, 115.25, 115.25, 115.00, 15; Sept. 120.90, 121.00, 121.00, 14; Nov. 125.5, 126.50, nil, nil; Feb. 129.00, 130.50, nil, nil; April 131.00, 134.00, 132.50. Sales: 91.

There was no confirmation of further purchases by China and the market was immediately offered down at the opening about 150 points against overnight quotations. Thereafter prices showed little change in moderate trading conditions, reports C. Czarnikow.

Sugar Pref. Comm. Con.	Yesterday's Close	Previous Close	Business Done
	£ per tonne		
March	110.45-10.50	110.40-10.50	112.90-10.25
May	115.40-15.50	115.45-15.60	114.75-15.25
Aug.	117.50-17.70	117.50-17.55	118.50-17.40
Oct.	120.75-21.10	120.75-20.80	122.25-20.85
Dec.	123.75-23.95	123.40-23.50	124.25-23.65
March	128.20-28.65	128.65-28.25	129.00-28.60
May	131.25-32.25	131.00-32.25	—

Sales: 2,903 (3,400) lots of 50 tonnes.

Tate and Lyle ex-refinery price for granulated basis white sugar was £264.85 (same) a tonne for home trade and 173.50 (172.00) for export.

International Sugar Agreement (U.S. cents per pound) fob and stowed Caribbean port. Prices for Dec. 7: Daily 7.79 (7.85); 15-day average 7.79 (7.80).

WOOL FUTURES

LONDON—The market was dull and featureless, reported Bache.

(Pence per kilo)

Australian Greasy Wool	Yesterd'ys Close	+ or —	Business Done
December	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]
October	[illegible]	[illegible]	[illegible]
December	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]

Sales: nil (9).

SYDNEY GREASY—[illegible]

NEW ZEALAND CROSSBREDS—[illegible]

MEAT/VEGETABLES

MEAT COMMISSION—Average fatstock prices at representative markets on December 8. GB: Cattle 69.18p per kg. l.w. (+1.83). UK: Sheep 131.4p per kg. est. d.c.w. (−1.7). GB: Pigs 66.6p per kg l.w. (+1.5). England and Wales—Cattle numbers [illegible] per cent, average price 68.89p [illegible] down 22.5 per cent, average price [illegible] (−1.9). [illegible] Cattle numbers [illegible] per cent, average price 70.72p [illegible] 28.7 per cent, average price [illegible] (+4.7).

COVENT GARDEN—Prices in sterling per package except where stated: Imported produce: [illegible]

GRIMSBY FISH—Supply poor, demand moderate. [illegible]

U.S. Markets

NEW YORK, Dec. 8.

PRECIOUS metals closed higher on aggressive speculative short covering [illegible]

INDICES

FINANCIAL TIMES

Dec. 8	Dec. 7	Month ago	Year ago
260.62	261.82	267.67	243.95

(Base: July 1, 1952=100)

REUTERS

Dec. 8	Dec. 7	Month ago	Year ago
1516.6	1515.1	1518.7	1443.5

(Base: September 18, 1931=100)

DOW JONES

Dow Jones	Dec. 7	Dec. 6	Month ago	Year ago
Spot	389.98	390.99	394.31	350.21
Futures	384.46	386.04	389.65	325.45

(Average 1924-25-26=100)

MOODY'S

Moody's	Dec. 7	Dec. 6	Month ago	Year ago
Spie Commodity	983.5	984.5	979.6	876.6

(December 31, 1931=100)

COTTON

LIVERPOOL COTTON—Spot and shipment sales amounted to 57 tonnes bringing the total for the week to 76 tonnes, the largest since the end of October. [illegible]

Pay-row union may black BBC at Christmas

BY ARTHUR SANDLES

THE BBC faces the prospect of Christmas blackouts with the decision by the Association of Broadcasting Staff to go ahead with industrial action as part of its pay campaign.

A BBC appeal to the Government to be made a special case, and thus be able to give its employees more than a 5 per cent rise, has been rejected.

The union has instructed monthly paid staff — the most highly skilled of its members — to work only 42 hours a week, never to work a shift of more than 12 hours, and not to work through meal breaks.

The action is bound to affect programmes, since the BBC is seriously understaffed in many areas. Last night, however, the BBC was still studying rotas in order to find what the impact is likely to be.

Although an arbitration procedure has started, involving five BBC unions, the Association of Broadcasting Staff has set up an action committee which can call strikes at any time in both radio and television.

The corporation has shown itself to be unwilling to break the pay code, even though it has also declared that it is in sympathy with its employees' claim. Many BBC staff were caught in a pay policy trap which closed after ITV staff had won pay increases.

If the BBC breaks the pay code it is highly exposed to Government sanctions through the licence fee. Although traditionally all the moneys collected by the Post Office for licences is passed on to the BBC, less a collection fee, this is not a legal requirement.

The Home Office could quite easily withhold some of the money, which is normally paid over to the Corporation in monthly amounts.

Brooke Bond rejects plea for workers

BY JAMES BARTHOLOMEW

THE LABOUR PARTY and the General and Municipal Workers' Union were among the signatories of a motion at the annual meeting of Brooke Bond Liebig yesterday, calling for "a significant improvement in the wages and conditions of employees and their families on the tea estates in India." The motion was overwhelmingly defeated.

The Brooke Bond board also resisted pressure from another organisation sympathetic to the left. Sir Humphrey Prideaux, chairman of Brooke Bond, refused a request from the Royal Arsenal Co-operative Society pension fund, that a facility should be given to shareholders to "opt out" of political contributions.

The resolution calling for better conditions for tea workers, was supported by the Labour Party (37,500 shares), the GMWU (136,099 shares) and the RACS co-operative society (950,000 shares). Proposing the resolution, Mr. John Tanner, of the World Development Movement, challenged the company's claim that conditions on its estates were as good, or better than the *average*.

Average earnings for women tea pickers working a six-day week were 60p per day. If one or more members of a family felt sick, the effect could be disastrous. The average income for tea pickers on the Brooke Bond estates in India was £200 a year.

Housing on the estate was below the legal requirement under Indian law.

Urging shareholders to reject the resolution, Sir Humphrey replied that, if passed, it would give the impression that substantial improvements in conditions were in the company's power to give. He said it would be "impractical" for the company to step out of line with locally agreed wage levels.

He said Mr. Tanner's requests implied that the company was back in "a colonialist atmosphere were we can dominate what goes on in India." The company would do all it reasonably could, and more than £3.8m would be spent this financial year to improve the welfare and housing of its tea estate workers worldwide.

On a show of hands, the resolution was overwhelmingly defeated.

The request of the Royal Arsenal Co-operative Society pension fund for a facility to opt out of political contributions, was rejected by Sir Humphrey.

SINGAPORE STOCK EXCHANGE

Dec. 8	$	Dec. 8	$
Industrials		Straits Trad'g	5.70
Boustead	0.20	Union Pub.	
Boustead Co.	1.20	Berhad	5.02
Boustead Bhd	2.19	U. Engineers	1.55
Dunlop	4.14	U.O.'s Bk.	5.22
Kemp	5.52	Wearne	2.94
Fraser Neave	5.15	Tractors	4.80
Haw Par	1.40	Chemical	4.94
Home Ind.	1.54	Wilson Jacks.	—
Inchcape	1.57	**Rubbers**	
Malay Brew.	5.60	Batu Lintang	1.20
Malay Cemt.	12.72	Dunlop Estate	3.56
Met. Box Sing.	—	Kempas	4.02
O.S.Chin.Bk	7.95		
Pan Electric	1.20		
Robinson Co.	4.25	**Tins**	
Rothmans	2.32	Austral. Am.	5.60
Sime	5.66	Berjuntai	6.70
Sime Darby	5.01	Kamunting	—
Cold Storage	2.20 xd	Kuchai	—
Straits Steam	12.44	Lower Perak	—
Straits Time		Petaling Tin	
Press	7.65	Supreme Corp.	11.92
		Tongkah Har.	2.20 xd

Buyer * Seller.

Stock Exchange dealings

Thursday, December 7	4,241	Tuesday, December 5	4,328	Friday, December 1	3,218
Wednesday, December 6	4,375	Monday, December 4	4,642	Thursday, November 30	4,234

The list below records all last Thursday's markings and also the latest markings during the previous four trading days of any share not marked on Thursday. The latter can be distinguished by the date (in parentheses).

The number of dealings marked in each section follows the name of the section. Unless otherwise denoted shares are £1 fully paid and stock £100 fully paid. Stock Exchange securities are quoted in pounds and fractions of pounds or in pence and fractions of pence.

The list below gives the prices at which bargains done by members of The Stock Exchange have been recorded in The Stock Exchange Daily Official List. Members are not obliged to mark bargains, except in special cases, and the list cannot, therefore, be regarded as a complete record of prices at which business has been done. Bargains are recorded in the Official List up to 2.15 p.m. only, but later transactions can be included in the following day's Official List. No indication is available as to whether a bargain represents a sale or purchase by members of the public. Markings are not necessarily in order of execution, and only one bargain in any one security at any one price is recorded.

‡ Bargains at Special Prices. Δ Bargains done with or between non-members. ♦ Bargains done previous day. § Bargains done with members of a recognised Stock Exchange. ♣ Bargains done for delayed delivery or "no buying-in." $A—$Australian; $B—$Bahamian; $C—$Canadian; $HK—$Hong Kong; $J—$Jamaican; $Ma—$Malayan; $Me—$Mexican; $NZ—$New Zealand; $S—$Singapore; $US—$United States; $WI—$West Indian.

Australia NZ Bnkg. Grp. (A$1) US$ 3.49‡♦ ♦310
Bk. America Cpn. (US$ 1.5725) 17¾ (1/12)
Bk. Ireland 7♦. 10pcLn. 183 (5/12)
Bk. Montreal (C$2) 15⅞ (6/12)
Bk. New South Wales (Lon. Reg.) (A$2) 515 (6/12)
Barclays Bk. 364 70 67 6 73 68 72 65: 8. 8½pcLn. 58
Barclays Bk. Intnl. 7½pcLn. 66½ (1/12)
Brown Shipley Hldgs. 230 (6/12)
Can. Imp. Bk. Comerce (C$2) 17¹⁄₁₆
Cater Ryder 265 (5/12)
Chase Manhattan Cpn. (US$ 12.50) 20¾ (4/12)
Clive Discount Hldgs. (20p) 77 (6/12)
Cmml. Bk. Australia (Lon. Reg.) (A$1) 190

Bestwood (15p) 103 (5/12)
Bibby 282♦ 4
Bifurcated Engineering (25p) 52
Bird (25p) 16
Birmid Qualcast (25p) 52 1½
Birmingham Mint (25p) 126 (6/12)
Black (25p) 148 (5/12)
Black Edgington (50p) 90
Black Arrow (50p) 36
Black (P.) (25p) 183 (4/12)
Blackman Conrad (20p) 23 (6/12)
Blackwood Hodge (25p) 59½ (6/12). 9pc Ln. 112 (4/12)
Blackwood Morton (25p) 22♦
Blagden Noakes (25p) 242 40 (4/12)
Bluebird Confectionery (25p) 82
Blue Circle Inds. 272♦ 40♦ 2 3 2½. 7pcDb. 64. 9pcDb. 72¼ (5/12). 6¼pcLn. 42¼ (5/12)

Durapipe Intl. (25p) 149 (5/12)
Dutton-Forshaw (25p) 46½ (5/12)
Dwek (10p) 12 (5/12)
Dykes (J.) (25p) 48 7 (6/12)
Dyson (J. J.) A (25p) 62 3 (5/12)

E—F

EMI (50p) 147‡♦ 53 2 2½ 50½ 50. 5pc Ln. 37 (4/12). 8½pcLn. 64½ (1/12). 8½pcLn. 1981 96‡♦ 7
ERF (Hldgs.) (25p) 135. 10pcPf. 103 (6/12)
Early (Charles) Marriott (Witney) (10p) 31 2 (5/12)
Eastern Produce (50p) 77 (6/12)
Edwards (Louis C.) (5p) 19½ (6/12)
Elbar Industrial (50p) 235 (4/12)
Elbief (10p) 15‡♦
Eleco Hldgs. (10p) 52½

Evode Hldgs. (20p) 39 (1/12)
Ewer (George) (10p) 35
Exchange Tele. (Hldgs.) (25p) 116 (5/12)
Expanded Metal (25p) 69½
F.M.C. (25p) 72
F.P.A. Constcn. Gp. (25p) 12½ (6/12)
Fairbairn Lawson (25p) 69½ 70 (6/12)
Fairclough Constcn. Gp. (25p) 67
Fairdale Textiles (5p) 23½ (6/12)
Fairview Ests. (10p) 134 (5/12)
Farm Feed Hldgs. (25p) 63 (5/12)
Farmer (S. W.) Gp. (25p) 136 (5/12)
Farnell Electronics (20p) 383♦ 7♦ 5♦ 90
Federated Land Bldg. (25p) 55½
Feedex (10p) 36 7 (6/12)
Fenner (J. H.) (Hlds.) (25p) 163 (4/12)
Ferguson Indust. Hldgs. (25p) 128 (5/12)
Ferranti (50p) 374 5 87. 5.60pc 56 (6/12) 3.50 2ndPf. 36½ (5/12)
Ferry Pickering Gp. (10p) 95 4 (4/12)
Fidelity Radio (10p) 82 (6/12)
Findlay (Andrew R.) Gp. (25p) 35½

From today, the list of weekly dealings in the Saturday edition will record transactions in the five trading days to Thursday evening, and not to Friday evening as previously.

The Friday figures will now be reflected in the list for the subsequent week, so a continuous record will be maintained.

Fine Art Developmts. (5p) 58
Finlas Hldgs. (50p) 90 (4/12)
Finlay (James) (25p) 95♦ 3
Fisher (Albert) Gp. (5p) 9 (5/12)
Fisons 315♦ 17 12 10. 6pcDb. 86 5½ (5/12). 6¼pcDb. 62½ (4/12). 5⅝pcLn. 43½ 2¼ (4/12)
Fitch Lovell (20p) 59 61
Fitzwilton (25p) 45 8 (5/12)
Flight Refuelling (Hldgs.) (25p) 165
Fodens (50p) 56½
Fogarty (E.) (25p) 170
Footwear Industry Invests. (25p) 65 (6/12)

Ingram (Harold) (10p) 36 (6/12)
Initial Svcs. (25p) 89½ (4/12). 8pcLn. 85 (5/12)
Inter City Invest. (20p) 17 (4/12)
Intl. Business Machines ($US5) 185½
Intl. Paint (25p) 78 (6/12). 8¾pcLn. 65¼ (6/12)
Intl. Standard Electric 5½pcLn. 65½ (4/12)
Intl. Stores 7½pcLn. 59 (4/12)
Ind. Thomson Org. 275. Cnv.Red.Pf. (25p) 230
Intl. Timber Corp. (25p) 124
Inveresk (50p) 62♦ 60
J.B. Hldgs. (10p) 55½
Jackson (J. H. B.) (5p) 35½
James (John) (25p) 48
James (Maurice) Inds. (20p) 13 (1/12)
Jarvis (J.) Sons (25p) 157 (1/12)

Tove (25p) 71 (5/12)
Tozer Kemsley Millbourn (Hldgs.) (20p) 51
Trafalgar House (20p) 121 ½ 20½. 7¼pc Pf. 54½ (8/12). 7pcDb. 54½ (6/12)
Transport Dev. Grp. (25p) 68 70
Travis Arnold (25p) 180½♦ 1¼♦
Tricoville (10p) 76 80

FINANCE FOR INDUSTRY TERM DEPOSITS

Deposits of £1,000-£25,000 accepted for fixed terms of 3-10 years. Interest paid gross, half-yearly. Rates for deposits received not later than 15.12.78.

Terms (years)	3	4	5	6	7	8	9	10
Interest %	12	12½	12½	12½	12½	12½	12¾	12¾

Rates for larger amounts on request. Deposits to and further information from The Chief Cashier, Finance for Industry Limited, 91 Waterloo Road, London SE1 8XP (01-928 7822, Ext. 177). Cheques payable to "Bank of England, a/c FFI." FFI is the holding company for ICFC and FCI.

DECEMBER 7

Afrikander Leases 190
Ampol Pets. 58

DECEMBER 4

Aetna Life and Casualty £38¼⊕
American Tel. and Tel. £42⅞⊕

DECEMBER 5

Arsenal F.C. £159
British Uralite 8
Cambridge Instrument (1p) 3¼ 3 2

DECEMBER 1

Siebens (UK) 278 6 5 68

(By permission of the Stock Exchange Council)

LOCAL AUTHORITY BOND TABLE

Authority (telephone number in parentheses)	Annual gross interest	Interest payable	Minimum sum	Life of bond
	%		£	Year
Barnsley Metro. (0226 203232)	12	½-year	250	3-7
Barking (01-592 4500)	11¾	½-year	1,000	4-6
Barking (01-592 4500)	12¼	½-year	5,000	4-6
East Lindsey (0507 5801)	12¼	½-year	2,000	3
Knowsley (051 548 6555)	12¼	½-year	1,000	6-10
Manchester (061 236 3377)	12	½-year	500	5
Poole (02013 5151)	11¾	½-year	500	2-3
Poole (02013 5151)	12¼	½-year	500	6-7
Poole (02013 5151)	12¼	½-year	500	5
Redbridge (01-478 3020)	12	½-year	200	4-5
Sefton (051 922 4040)	12	½-year	2,000	2-3
Wrekin (0952 505051)	12¼	yearly	1,000	5-10

BUILDING SOCIETY RATES

	Deposit Rate	Share Accnts.	Sub'pn Shares	*Term Shares
Abbey National	7.75%	8.00%	9.25%	9.00% 3 yrs., 8.50% 2 yrs.
Aid to Thrift	8.25%	8.75%	—	—
Alliance	7.75%	8.00%	9.25%	9.00% 3-4 yrs., 8.50% 2 yrs., 8.25% 1 yr.
Anglia Hastings and Thanet	7.75%	8.00%	9.25%	9.00% 3-4 yrs., 8.50% 2 yrs., 8.25% 1 yr.
Bradford and Bingley	7.75%	8.00%	9.25%	9.00% 3 yrs., 8.50% 2 yrs.
Bridgwater	7.75%	8.00%	9.50%	9.10% 2½ yrs., 8.75% 2 yrs.
Bristol and West	7.75%	8.00%	9.25%	—
Bristol Economic	7.75%	8.00%	9.25%	8.25% 3 months' notice
Britannia	7.75%	8.00%	9.25%	9.00% 3 yrs., 8.50% 2 yrs.
Burnley	7.75%	8.00%	9.25%	9.00% 8.50% 2 yrs.
Cardiff	7.75%	8.50%	9.50%	—
Catholic	8.00%	●6.60%	7.50%	— ● 7% over £5,000
Chelsea	7.75%	8.00%	9.25%	8.75% minimum £500, 6 months' notice
Cheltenham and Gloucester	7.75%	8.00%	9.25%	9.00% 3 yrs., 8.50% 2 yrs., £500-£15,000
Citizens Regency	7.75%	8.30%	9.50%	9.55% 3 years
City of London	8.00%	8.30%	9.25%	9.35% 3 yrs. increment share min. £500
Coventry Economic	7.75%	8.00%	9.25%	9.00% 3 yrs. min., 8.50% 3 mths.' notice
Coventry Provident	7.75%	8.00%	10.00%	9.25% 3 yrs., 8.75% 2 yrs., 8.25% 1 yr.
Derbyshire	7.75%	8.00%	9.25%	8.50% up to, 3 months' notice
Gateway	7.75%	8.00%	9.25%	9.00% 3yrs., 8.5% 2yrs., min. £500-£15,000
Guardian	7.75%	8.25%	8.50%	8.95% £1,000 3 months' notice
Halifax	7.75%	8.00%	9.25%	9.00% 3 yrs., 8.50% 2 yrs.
Heart of England	7.75%	8.25%	8.25%	9.25% 3-4 yrs., 9.00% 2 yrs.
Hearts of Oak and Enfield	7.75%	8.25%	9.25%	9.25% 4 yrs., 9.25% 3 yrs., 9.00% 2 yrs.
Hendon	8.00%	8.50%	—	9.00% 6 months, minimum £2,000
Huddersfield and Bradford	7.75%	8.00%	9.25%	9.00% 3 yrs., 8.50% 2 yrs.
Leamington Spa	7.85%	8.10%	■10.97%	8.85% 2 years. ■ 3 years
Leeds Permanent	7.75%	8.00%	9.25%	9.00% 3 yrs., 8.50% 2 yrs., min. £1,000
Leicester	7.75%	8.00%	9.25%	9.00% 3 yrs., 8.50% 2 yrs.
Liverpool	7.75%	8.00%	9.45%	9.10% 3 yrs., 8.60% 2 yrs., min. £1,000
London Goldhawk	7.75%	8.25%	9.50%	7.75% 3 yrs., 7.70% 2 yrs., 7.45% 1 yr.
Melton Mowbray	7.85%	8.10%	9.25%	8.85% 2 yrs., minimum £2,000
Midshires	7.75%	8.00%	9.25%	9.00% 3 yrs., 8.50% 2 yrs., 8.25% 1 yr.
Mornington	7.25%	7.50%	—	—
National Counties	8.00%	8.30%	9.30%	9.40% 6 mths., 8.75% 3 mths., min. £1,000
Nationwide	7.75%	8.00%	9.25%	9.00% 3-4 yrs., 8.50% 2 yrs., min. £500
Newcastle Permanent	7.75%	8.00%	9.30%	9.30% 3 yrs., 9.00% 2 yrs.
New Cross	7.25%	7.50%	—	—
Northern Rock	7.75%	8.00%	9.25%	9.00% 3 yrs., 8.50% 2 yrs., min. £200
Norwich	7.75%	8.00%	9.50%	9.00% 3 yrs., 8.75% 2 yrs., min. £200
Peckham Mutual	6.75%	7.25%	—	—
Portman	7.75%	8.00%	9.25%	9.00% 3 yrs., 8.75% ½-yrly., 8.25% 3 mths.
Principality	7.75%	8.00%	9.25%	9.00% 3-4 yrs., 8.50% 2 yrs., min. £500
Progressive	6.70%	6.95%	7.95%	7.95% 3yrs., 7.70% 2yrs., 7.45% 3mths.not.
Property Owners	7.75%	8.50%	9.75%	9.00% 3 months notice
Provincial	7.75%	8.00%	9.25%	9.00% 3-4 yrs., 8.50% 2 yrs.
Skipton	7.75%	8.00%	9.25%	9.00% 3yrs., 8.50% 2yrs., 8.25% 3mths.not.
Sussex Mutual	7.75%	8.35%	10.00%	9.30% 3 yrs., 9.00% 2 yrs., 8.75% 1 yr.
Town and Country	7.75%	8.00%	♣10.00%	9.00% 3 yrs., 8.50% 2 yrs. ♣ Max. £250
Walthamstow	7.75%	8.10%	9.20%	9.15% 3 yrs., 8.85% 3 mths. not, min. £500
Woolwich	7.75%	8.00%	9.25%	9.00% 3 yrs., 8.50% 2 yrs.

All these rates are after basic rate tax liability has been settled on behalf of the investor.

* Rates normally variable in line with changes in ordinary share rates.

EXCHANGE CROSS RATES

Dec. 8	Pound Sterling	U.S. Dollar	Deutschemark	Japanese Yen	French Franc	Swiss Franc	Dutch Guilder	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.961	3.750	388.5	8.613	3.333	4.070	1668	2.303	59.26
U.S. Dollar	0.510	1.	1.915	198.2	4.393	1.700	2.076	847.5	1.174	30.22
Deutsche mark	0.267	0.523	1.	103.6	2.297	0.889	1.085	443.1	0.614	15.80
Japanese Yen 1,000	2.574	5.046	9.653	1000.	22.17	8.578	10.48	4277	5.927	152.5
French Franc 10	1.161	2.276	4.354	451.1	10.	3.869	4.726	1929	2.673	68.80
Swiss Franc	0.300	0.588	1.125	116.6	2.584	1.	1.221	498.6	0.691	17.78
Dutch Guilder	0.246	0.482	0.921	95.15	2.116	0.819	1.	408.2	0.566	14.56
Italian Lira 1,000	0.602	1.180	2.257	233.8	5.184	2.006	2.450	1000.	1.386	35.66
Canadian Dollar	0.434	0.851	1.629	168.7	3.710	1.447	1.768	721.6	1.	25.73
Belgian Franc 100	1.688	3.309	6.329	655.7	14.54	5.624	6.869	2801	3.886	100.

Currency, Money and Gold Markets

UK MONEY MARKET

Bank of England Minimum Lending Rate 12½ per cent (since November 9, 1978)

The Treasury bill rate was again easier at yesterday's tender, with the average rate falling by 0.0098 per cent to 11.5562 per cent. The minimum accepted bid was £97.09½ against £97.11 per cent the previous week, and bids at that level were met as to about 37 per cent. The £300m bills on offer attracted bids of £579.145m and *all bills offered were allotted.* Next week a further £300m will be on offer, replacing a similar amount of maturities.

Conditions in the London money market were again subdued and the shortage of day to day credit was alleviated by the authorities buying a moderate amount of Treasury bills, all direct from the discount houses. The latter were paying 11½-11¾ per cent for secured call loans at the start, with closing balances at 11½-11¾ per cent.

On the other hand there was a small excess of Government disbursements *(including rate support grant)* over revenue transfers to the Exchequer. In the interbank market, overnight loans opened at 12-12¼ per cent and eased before the forecast to 11¾-12 per cent. Rates then firmed on the projected shortage to 12⅛-12¼ per cent with most trading at 12-12⅛ per cent. With money on *offer in the afternoon, rates fell* away to 4-5 per cent, before recovering slightly at the close to 6-7 per cent.

Rates in the table below are nominal in some cases.

EXCHANGES AND BULLION

Pre-Christmas lethargy, together with quiet trading ahead of the weekend, added up to a very dull day in yesterday's foreign exchange market. No currency showed *any real movement with* sterling registering a slightly firmer tendency overall, while the U.S. dollar eased a little in very thin trading. For the latter currency, there may have been a little support during the day and it was known that the Bundesbank gave a little help at the Frankfurt fixing.

In terms of the **D-mark**, the dollar finished at DM 1.9120 compared with DM 1.9160 on Thursday. The Swiss franc also showed an improvement at SwFr 1.6995 against SwFr 1.7085.

Using Morgan Guaranty figures *at noon in New York*, the dollar's trade weighted average depreciation widened to 8.2 per cent from 8.1 per cent. On Bank of England figures, its index fell from 85.1 to 84.9.

Sterling opened at $1.9520 and touched $1.9510 before recovering to $1.9525 by noon. Dollar sales during the afternoon out of the U.S pushed the rate up to $1.9615, *before it closed at $1.9600-1.9610,* a rise of 90 points from Thursday's close. The pound's overall improvement was reflected in its trade weighted index, which rose to 62.8 at the close from 62.7, having stood at 62.7 for the rest *of the day.*

Gold opened at $200¼-201¼ and maintained the firmer trend on *good demand in Europe. The* opening of U.S. markets prompted a slightly stronger tendency with a little short covering, and the metal closed in London at $202-202¾, a rise of $3¾ an ounce. Later trading in New York saw a further rise to around $203-203½.

THE POUND SPOT

Dec. 8	Bank rate %	Day's Spread	Close
U.S. $	9½	1.9510-1.9615	1.9600-1.9610
Canadian $	10¾	2.2925-2.3040	2.3020-2.3050
Guilder	6½	4.04½-4.08	4.05½-4.07½
Belgian F	6	58.00-59.35	59.20-59.30
Danish K	8	10.38-10.44½	10.43½-10.44½
D-Mark	3	3.73-3.76	3.74½-3.75½
Port. Esc.	18	91.10-91.90	91.50-91.90
Span. Pes.	8	139.55-140.00	139.90-140.00
Lira	10½	1.657-1.662	1.661-1.662
Nrwgn. K.	7	10.00-10.07	10.05½-10.06½
French Fr.	9½	8.57-8.62	8.60½-8.61½
Swedish Kr.	6½	8.64½-8.70	8.68½-8.69½
Yen	3½	385-392	387½-389½
Austria Sch.	4½	27.30-27.50	27.45-27.48
Swiss Fr.	1	3.32-3.35	3.32½-3.33½

Belgian rate is for convertible francs. *Financial franc 60.45-60.55.*

OTHER MARKETS

Dec. 8	£	$		£ Note Rates
Argentina Peso	1.895-1.899	966.60-968.60	Austria	27-28
Australia Dollar	1.7180-1.7230	0.8803-0.8814	Belgium	60-61½
Finland Markka	7.9150-7.9350	4.0510-4.0550	Denmark	10.35-10.55
Brazil Cruzeiro	38.60-39.60	19.70-20.20	France	8.55-8.65
Greek Drachma	71.199-72.941	36.32-37.20	Germany	3.70-3.80
Hong Kong Dollar	9.3550-9.3750	4.7900-4.7950	Italy	1630-1700
Iran Rial	144.34-148.24	74-76	Japan	385-395
Kuwait Dinar (KD)	0.531-0.541	0.27500-0.27515	Netherlands	4.00-4.10
Luxembourg Franc	59.10-59.20	30.21-30.24	Norway	9.95-10.10
Malaysia Dollar	4.2825-4.3025	2.2000-2.2040	Portugal	88-98
New Zealand Dollar	1.8630-1.8700	0.9542-0.9574	Spain	139½-143¼
Saudi Arabia Riyal	6.52-6.62*	3.3700-3.3750	Switzerland	3.30-3.40
Singapore Dollar	4.27-4.29	2.1900-2.1920	United States	1.9450-1.9550
South African Rand	1.6849-1.7108	0.8634-0.8767	Yugoslavia	41-43

Rate given for Argentina is free rate.
Rate for Saudi Arabia Riyal on December 1 should have been 6.47-6.57 (£).

GOLD

	Dec. 8	Dec. 7
Gold Bullion (a fine ounce)		
Close	$202-202¾	$198¼-199
Opening	$200¼-201¼	$197¼-198
Morning fixing	$200.35 (£102.686)	$198.10 (£101.552)
Afternoon fixing	$202.00 (£103.246)	$198.30 (£101.660)
Gold Coins, domestically		
Krugerrand	$213½-215½ (£109-110)	$210¼-212¼ (£107½-108½)
New Sovereigns	$60½-62½ (£31-32)	$60-62 (£30¾-31¾)
Old Sovereigns	$59-61 (£30½-31½)	$58½-60½ (£30-31)
Gold Coins, *internationally*		
Krugerrand	$207½-209½ (£106-107)	$205½-205½ (£104¾-105½)
New Sovereigns	$53-55 (£27-28)	$52½-54½ (£27-28)
Old Sovereigns	$59-61 (£30½-31½)	$58½-60½ (£30-31)
$20 Eagles	$285-288	$282-287
$10 Eagles	$157-162	$155-158
$5 Eagles	$105-110	$101-106

LONDON MONEY RATES

Dec. 8 1978	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposit	Treasury Bills ф	Eligible Bank Bills ф	Fine Trade Bills ф
Overnight	—	4-12¼	—	—	—	12⅝	10¾-12⅛	—	—	—
2 days notice	—	—	11⅞-12⅛	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	12½	—	—	—	—
7 days notice	—	12-12¼	12-12⅛	—	12⅛	—	11¾-12	—	—	—
One month	12¼	12⅛-12¼	12-12⅛	12⅛-12½	12¼	12⅝	12	11⅞-11⅝	12⅛-12[illegible]	12¼
Two months	12¼-12[illegible]	12[illegible]-12[illegible]	—	12⅛-12½	12⅝	12⅝	12	11½-11[illegible]	12[illegible]	12⅜
Three months	12[illegible]-12[illegible]	12¼-12[illegible]	12⅛-12¼	11[illegible]-12¼	12⅝	—	12	11⅝-11[illegible]	12	12½
Six months	12[illegible]-12[illegible]	12-12⅛	11¾-12	11⅝-11¾	12¼	—	—	—	11[illegible]-11[illegible]	13
Nine months	11[illegible]	11⅞-12	—	11⅝-11⅞	12¼	—	—	—	—	—
One year	11¾-11[illegible]	11⅞-12	11½-11¾	11⅞	12¼	—	—	—	—	—
Two years	—	—	12-12¼	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. *Longer-term local authority mortgage rates nominally three years 12¼-12⅜ per cent; four years 12¼-12⅜ per cent; five years 12⅛-12⅜ per cent. ф Bank bill rates in table are buying rates for prime paper. Buying rate for four-month bank bills 11[15/16]-11¾ per cent four-month trade bills 12¼ per cent.

Approximate selling rates for one-month Treasury bills 11[5/16]-11[11/32] *per cent; and two-month* 11[7/16]-11[15/32] *per cent; three-*month 11¼-11[17/32] per cent. Approximate selling rate for one-month bank bills 12-12[1/32] per cent; two-month 11[31/32]-12 per cent; and three-month 11[15/16] per cent; one-month trade bills 12 per cent; two months 12¼ per cent; and also three-month 12¼ per cent.

Finance House Base Rates (published by the Finance Houses Association) 11½ per cent from December 1, 1978. **Clearing Bank Deposit Rates** for small sums at seven days' notice 10 per cent. **Clearing Bank Base Rates** for lending 12½ per cent. **Treasury Bills:** Average tender rates of discount 11.5562 per cent.

CURRENCY MOVEMENTS

December 8	Bank of England Index	Morgan Guaranty changes %
Sterling	62.80	−40.8
U.S. dollar	84.95	− 8.2
Canadian dollar	80.34	−17.2
Austrian schilling	144.43	+19.0
Belgian franc	113.30	+14.3
Danish krone	116.76	+ 6.1
Deutsche Mark	147.89	+40.8
Swiss franc	193.90	+83.0
Guilder	123.32	+19.8
French franc	98.14	− 6.6
Lira	54.58	−48.6
Yen	146.92	+45.1

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

EURO-CURRENCY INTEREST RATES

Dec. 8	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
†Short term	n.a.	9⅝-9⅞	7½-8½	9¾-10	[illegible]	3[illegible]-3[illegible]	7¼-7¾	10-14	—	−3⅞-−1⅞
7 days' notice	n.a.	9¾-10	7½-8½	9¾-10	[illegible]	3[illegible]-3[illegible]	7¾-8¼	12-14	9⅞-10	−1[illegible]-−1[illegible]
Month	13⅛-13½	11¼-11½	9[illegible]-9[illegible]	9⅞-10⅛	[illegible]	3⅞-4	9¼-9½	14-15	10¼-10⅝	½-⅞
Three months	13¾-14⅛	11[illegible]-11[illegible]	10[illegible]-10[illegible]	9¾-10	¼-⅜	3⅞-4	9½-9¾	15-16	11⅜-11½	1¼-1⅝
Six months	14⅛-14½	11[illegible]-11[illegible]	10[illegible]-10[illegible]	9⅜-9⅝	⅝-¾	3[illegible]-4[illegible]	9¾-10	15½-16½	11[illegible]-11[illegible]	2[illegible]-2[illegible]
One year	13[illegible]-14[illegible]	11[illegible]-11[illegible]	10[illegible]-10[illegible]	8⅝-8⅞	1¼-1⅝	4[illegible]-4[illegible]	10¼-10½	16-17	11[illegible]-11[illegible]	2[illegible]-2[illegible]

The following nominal rates were quoted for London dollar certificates of deposit: one month 10.65-10.75 per cent; three months 11.10-11.20 per cent; six months 10.50-10.60 per cent; one year 11.20-11.30 per cent.

Long-term Eurodollar deposits: Two years 10⅞-10¼ per cent; three years 10[7/16]-10[9/16] per cent; four years 10[illegible]-10¼ per cent; five years 10[1/16]-10[5/16] per cent; nominal closing rates. Short-term rates are call for sterling, U.S dollars and Canadian dollars two-day call for guilders and Swiss francs. Asian rates are closing rates in *Singapore.*

U.K. CONVERTIBLE STOCKS 8/12/78

Statistics provided by *data STREAM International*

Name and description	Size (£m.)	Current price	Terms*	Con-version dates	Flat yield	Red. yield	Premium† Current	Premium† Range‡	Income Equ.§	Income Conv.∥	Income Diff.◇	Cheap(+) Dear(−)◇ Current
Associated Paper 9½pc Cv. 85-90	1.40	102.00	200.0	76-79	9.2	8.9	0.0	− 7 to 0	5.2	0.0	− 5.1	− 5.1
Bank of Ireland 10pc Cv. 91-96	1.20	173.00	47.6	77-79	5.8	3.0	− 7.6	− 9 to 3	6.7	4.8	− 1.0	+ 6.6
British Land 12pc Cv. 2002	7.71	167.00	333.3	80-97	7.2	6.5	17.9	6 to 26	0.0	91.4	64.5	+46.6
English Property 6½pc Cv. 98-03	8.07	75.00	234.0	76-79	8.7	9.1	− 4.3	−11 to −1	3.5	0.0	− 4.5	− 0.1
English Property 12pc Cv. 00-05	15.31	80.00	150.0	76-84	15.2	15.3	59.2	40 to 66	26.0	45.1	37.9	−21.3
Hanson Trust 6½pc Cv. 88-93	4.51	80.00	57.1	76-79	8.3	9.2	0.0	− 1 to 8	3.4	0.0	− 4.2	− 4.2
Hewden-Stuart 7pc Cv. 1995	0.01	380.00	564.5	75-79	1.9		3.6	−14 to 4	9.6	3.4	− 1.7	− 5.3
Slough Estates 10pc Cv. 87-90	5.50	166.00	125.0	78-86	6.0	1.6	11.6	11 to 15	32.9	46.6	9.3	− 2.3
Thorn Electrical 5pc Cv. 90-94	10.93	100.00	29.1	75-79	5.1	5.2	− 7.1	− 7 to 3	5.1	4.8	− 0.3	+ 6.8
Tozer, Kemsley 8pc Cv. 1981	0.78	91.00	153.9	74-79	8.9	12.1	16.0	1 to 21	7.1	3.8	− 4.2	−20.2
Ultramar 7pc net R.Cv.Pfd.	14.97	1.36	0.5	76-88	7.9	6.0	13.8	9 to 19	0.0	61.5	31.5	+37.6
Wilkinson Match 10pc Cv. 83-98	11.10	87.00	40.0	76-83	11.4	11.6	20.8	21 to 38	20.5	34.0	6.2	−14.6

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ∥ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ◇ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◇ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness. − is an indication of relative dearness.

STOCK EXCHANGE REPORT

Equities resume advance after Thursday's reaction

30-share index closes 1.8 higher at 493.3 led by GEC

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
Nov. 27	Dec. 7	Dec. 8	Dec. 19
Dec. 11	Dec. 28	Dec. 29	Jan. 9
Jan. 2	Jan. 11	Jan. 12	Jan. 23

* "New time" dealings may take place from 9.30 am two business days earlier.

A more detailed assessment of GEC's interim results reversed Thursday's decline in the shares and also steadied equity stock markets generally yesterday. A slight hangover was evident in the sections during the early trade, but small end-Account sales were fairly easily absorbed and the tendency began to improve in a thin business.

The situation in Iran was more of a talking point but there were few other factors to affect market sentiment. Consequently, many operators were looking ahead to the long Christmas trading Account with seasonal enthusiasm, some hoping to see the FT Industrial Ordinary share index break through the 500 mark *fairly soon*.

After the official close of business yesterday, the leaders were edging forward in anticipation of this happening early next week and the index, which had shown a loss of 0.9 at 11 am and a net rise of 0.7 four hours later, closed with a gain of 1.8 at 493.3. GEC recovered as investment confidence revived and, at 340p, retrieved all of Thursday's fall of 8.

Microelectronic issues featured again, still mirroring the Government's intention to sponsor the industry to the tune of £400m over the next few years, but here too the overall level of trade was pretty small. Nonetheless, gains were frequent and extended to 10 as in the case of Racal at 358p.

British Funds came to the end of a week which has seen both taps operative and the medium stock Exchequer 12¼ per cent 1985 was again supplied yesterday by the Government broker at 97¼, albeit in a small way. The market's overall performance this week was adjudged very creditable although business, apart from straight demand and switching into the tap stocks, has been *sparse on occasions*.

Corporations recorded scattered gains, while Southern Rhodesian bonds eased a point, the 2½ per cent 1965-70 shedding that much at £53. Findlay 8 per cent convertible preference, offered to ordinary shareholders by way of rights, made a quiet debut at ½p premium.

The investment currency premium fluctuated between extremes of 83½ and 85 per cent in small two-way trading before closing a net ¾ up on balance at 84½. Yesterday's SE conversion factor was 0.7233 (0.7255).

In the wake of Thursday's mid-term results, another good Traded Option business was done in GEC which recorded 201 of the 662 contracts completed.

In much quieter trade, Harris Queensway touched 175p before reverting to the overnight level of 173p, which compares with the issue price of 135p.

Banks edge higher

The major clearing banks made modest progress in thin trading, but Bank of Scotland relinquished 5 to 285p. With the exception of Standard Chartered, which softened a penny to 425p ahead of next *Tuesday's interim figures*, Overseas issues held firm. Elsewhere, Hambros put on 3 to 176p and Lloyds and Scottish gained a penny to 101p; the latter's preliminary results are due next Thursday.

Insurances plotted an irregular course. Hambro Life lost 6 to 402p in a thin market, while C. E. Heath gave up 7 to 246p and Minet 5 to 185p. On the other hand, Prudential added 5 at 157p.

Breweries and kindred issues hovered around overnight levels in a thin trade, with little of the seasonal interest which had featured earlier in the week. Arthur Bell closed unchanged at 252p; the price in yesterday's issue was incorrect. Despite the reduced full-time turnover, Cardiff Malting returned to profitability and put on a penny at 31p.

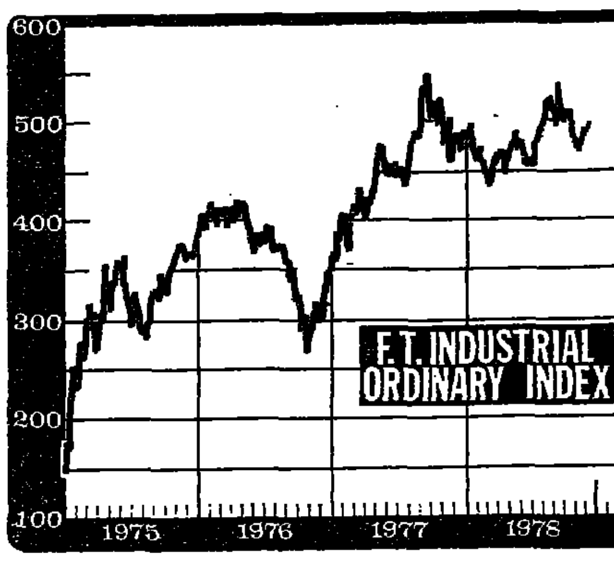
Further consideration of the interim results and the chairman's optimism about current trading lifted Burnett and Hallamshire 5 to 205p for a two-day gain of 15 on the announcement, but Armitage Shanks, still reflecting concern with the Iranian situation, shed a penny more to 74½p. Press comment drew attention to *Gough Cooper, which firmed 4 to* 74p, and to Johnson-Richards Tiles, which added 3 to 97p; last year, the latter's interim results were announced on December 19. Baggeridge Brick found further *support and added 2 for a two-day* rise of 5 to a 1978 peak of 38p. Heywood Williams held a late im*provement of 1½ at a high for the* year of 157½ and Parker Timber put on 3 to 138p, also a 1978 high.

A couple of pence easier at the outset, ICI attempted a rally, but finished a penny off at 380p, still up 8 on the week. Further consideration of the interim results added a penny to British Tar Products at 54p, but end-of-account offerings left Stewart *Plastics 4 cheaper at 174p.* Bernard Wardle, 32p, were unmoved by acquisition news.

Burton's surprise

Store dealers were surprised at the start of business yesterday when Burton's preliminary figures were *announced nearly a week* early. In the event, Burton "A" which had risen 5 on Thursday on new-time buying ahead of the figures expected next week, *immediately turned lower despite* the better-than-expected profits recovery; up to 181p in front of the announcement, the shares reacted to 175p before closing a net penny harder on balance at 177p. Marks and Spencer gained 2 to 89p helped by better news from the Canadian subsidiary. Foster Bros. added 6 to 167p and Vantona gained 4 to 128p but Martin the Newsagents, annual results due Monday, softened 2 to 218p. The sharp increase in annual earnings, a proposed 50 per cent scrip-issue and a property revaluation surplus helped K Shoes improve 3 to 80p for a rise on the week of 8.

Further consideration of the half-yearly results prompted a *marked turnround in GEC which were briskly traded and, at a close* of 340p, regained the previous day's loss of 8. Elsewhere in the leaders, EMI improved 2 to 151p and Plessey hardened a penny to 113p. The Government's proposed £400m boost for the micro*electronics industry continued to* benefit Electronic issues, but buying interest was on a reduced scale. Racal advanced 10 further to 358p and Ferranti were similar higher at 382p, while AB Elec*tronic firmed 3 more to 163p and* Electrocomponents 5 to 320p.



Inclined easier for most of the day, Engineering majors picked *up and closed without much* alteration on balance. GKN finished a couple of pence to the good at 263p, after 260p, while Tubes ended unchanged at 394p, after 390p. Hawker, however, traded firmly throughout the session and closed 8 dearer at 238p. Elsewhere, the majority of movements were limited to a few pence either way. Aurora Holdings found support at 93p, up 4, while Baker Perkins responded to the *forecast of a satisfactory improve*ment in second-half trading. Averys hardened 2 to 236p awaiting news of the possible bid from GEC. Gains of 2 were also marked against Rotork, 56p, and Bamfords, 35p, but Babcock and Wilcox, a firm market of late, encountered a little end-account profiting taking and gave up 2 to 162p. Associated Tooling hardened another penny to 42p on the interim results, while Press mention left Johnson and Firth Brown a shade dearer at 68p.

After trading announcements, Bishops Stores A firmed a penny to 96p, but Lennons eased that much to 34p. Elsewhere in Foods, adverse Press comment on the annual results left British Sugar 5 lower at 143p for a two-day fall of 7. Awaiting the outcome of the *bread strike talks, RHM shed a* peny to 52½p, but A.B. Foods held at 70p.

A good market of late on the Board's forecast of substantially higher pre-tax profits, Ladbroke encountered early profit-taking and slipped to 180p before late support left the close unchanged on balance at 183p. Elsewhere in Hotels and Caterers, buyers came in for Reo Stakis which put on 3 to a 1978 peak of 42p.

B. Fertleman dull

A mixed trend was evident in the miscellaneous Industrial leaders on the last day of the account. Sporadic profit-taking *prompted losses of 8 and 10* respectively in Glaxo, 530p, and Reckitt and Colman, 475p, while Unilever finished 6 off at 554p. *Beecham, however, continued* firmly and closed 5 dearer at 637p and 30 up on the week. Ahead of Tuesday's preliminary results, Trafalgar House improved 2 to 123p. Elsewhere, B. Fertleman became a dull feature and fell 4 to 25p on the first-half profits setback and interim dividend omission. Ferguson Industrial gave up 3 to 123p on the late announcement that the company is bidding 71p per share for Peerage of Birmingham; dealings in the latter, which were *suspended on November 28 pend*ing an announcement, will be resumed 9.30 am on Monday. The liquidation of speculative positions prompted a fall of 4 to 53p *in Dundonian, while Hunting* Associated lost 7 to 293p on profit-taking after the recent rise which followed the Board's capital proposals. Comment on the profits recovery helped Wilkins and Mitchell harden a penny to 42p, while Glass and Metal put on 3 to 83p on speculative buying. BTR improved 6 more to 335p.

In the Leisure sector, next Wednesday's debut of Milletts Leisure Shops directed investors' attention to Campari which improved 3 to 109p. New-time interest ahead of Monday's annual *results prompted a like gain to a* 1978 peak of 109p in Management Agency and Music.

Motor sectors closed slightly lower. ERF encountered profit-taking after the previous day's rise of 10 and gave up 3 to 137p. Rolls-Royce finished an odd firm spot, adding a penny to 95p, and among components, Lucas ended 3 better at 310p. But Jonas Woodhead's disappointing interim statement left the shares 4 down *at 97p*.

Newspapers tended easier in a slack business. Associated, 180p, and Daily Mail "A," 358p, both gave up 2, while News International, a good market of late, *met small profit-taking and eased* 3 to 275p. Elsewhere, paper manufacturers James Cropper reported much-improved first-half profits and gained 2 to 90p. Small buying left Geers Gross 3 up at 45p. Saatchi and Saatchi improved again, firming 5 to a 1978 peak of 140p.

Leading Properties held close to overnight levels for most of the session following a reasonable end-account business, but took a *distinct turn for the better in late* dealings. English Property and British Land ended 1½ up at 35½p and 43½p respectively, while Capital and Counties added a penny to a high for the year of 65p and United Real appreciated 10 to 318p. Lynton firmed 2 for a two-day rise of 10 at 130p, while Rush and Tompkins firmed 4 to 106p following a bear squeeze and Corn Exchange, still involved in talks that may or may not lead to an offer, added another 3 to 243p.

Oils above worst

Oil leaders picked up after *drifting easier initially on scat*tered end-account profit-taking. British Petroleum touched 936p before settling at 940p for a fall of 6 on the day, while Shell closed 3 cheaper at 584p, after 582p. Among the more speculative issues, Burmah responded to Press mention with a rise of 3 to 78p. LASMO Ops put on 15 to 395p in an extremely thin market, while Siebens (UK) recovered from 270p on a late flurry of buying interest to close 4 higher on balance at 278p.

Recent buying interest in the Trust sector faded. Nevertheless, the underlying tone was reasonably steady and quotations showed *only small irregular movements.*

Apart from Common Brothers, which firmed 4 to 169p, Shippings took on a quietly dull appearance. Furness gave up 3 to 252p and P & O Deferred eased a shade to 85p.

Bats Deferred were active and hardened 2 to 257p.

In idle Textiles, Tricoville belatedly responded to Press comment and gained 2 to 78p. Courtaulds added a penny to 124p.

Plantations ended the account in a quiet mood, although the undertone held firm. Sogomana rallied 6 to 181p after the increased interim profits and dividend. Castlefield, however, became a dull market following *the reduced profits and eased 5* to 240p.

Good week for Golds

South African Gold shares ended a good week on a firm note as the bullion price moved up through the $200 per ounce level to close $3.75 higher at $202.375, for a week's improvement of $8.

Fuelling the fresh gain in the bullion price was continued satisfaction with the outcome of Wednesday's International Monetary Fund gold auction.

Also helping the continuing strength of the share market was the steadiness of the investment premium which registered a strong rise over the week.

Despite the closure of the Johannesburg centre—the South African stock exchange is moving *to new premises—the gold share* market attracted a fair demand throughout the day from Continental, London and American sources.

Heavyweights registered gains *of up to a half-point as in* Vaal Reefs, £12¾ and West Driefontein, £20¼, while lower-priced issues showed Doornfontein 11 better at 230p.

Better-than-expected final divi*dends from Grootvlei (22 cents)* and Marievale (38 cents) saw the shares rise 2¼ and 5¼ respectively *to the common price of 92p.* The Gold Mines index registered its fourth successive gain with a 3.4 rise to *134.4—a week's advance of* 9.6, while the ex-premium index put on 2.2 to 97.2.

South African Financials drew strength from gold shares and higher premium. De Beers responded to further Continental and American interest with another 10 gain at 362p, while General Mining put on a half-point at £16¼.

London Financials were barely changed but Mincorp attracted *further support and closed* 2 better at a 1978 high of 67p.

Although rises were never substantial Australians nevertheless continued to reflect the firmer trend in overnight domestic markets. Conzinc Riotinto put on 4 more to 282p and Western Mining 3 to 130p. Hampton Areas hardened a penny more to a high of 157p; Colonial Mutual has acquired a 23 per cent interest in the former and is considering making a full takeover bid.

Elsewhere, recent high-flyer Westfield Minerals moved within extremes of 390p and 350p before closing 19 cheaper at 375p.

FINANCIAL TIMES STOCK INDICES

—	Dec. 8	Dec. 7	Dec. 6	Dec. 5	Dec. 4	Dec. 1	A year ago
Government Secs.	68.97	68.99	68.83	68.86	68.72	68.66	76.03
Fixed Interest	70.37	70.31	70.25	70.08	70.01	69.97	78.29
Industrial	493.3	491.5	491.8	488.2	489.9	486.3	485.9
Gold Mines	134.4	131.0	127.3	125.0	124.7	124.8	142.4
Gold Mines (Ex-$ pm.)	97.2	95.0	92.8	94.6	94.9	94.0	104.3
Ord. Div. Yield	5.85	5.86	5.85	5.90	5.89	5.92	5.52
Earnings, Y'ld% (full)	15.45	†15.36	†15.34	15.48	15.45	15.53	16.68
P/E Ratio (net) (*)	8.40	8.41	8.42	8.34	8.36	8.31	8.81
Dealings marked	4,316	4,241	4,376	4,328	4,642	3,218	4,306
Equity turnover £m	—	87.66	86.90	70.75	60.62	57.39	84.04
Equity bargains total	—	16,555	15,116	16,313	16,106	12,487	13,423

10 am 490.7. 11 am 490.8. Noon 491.8. 1 pm 492.1.
2 pm 492.2. 3 pm 492.2.
Latest Index 01-246 8026.
*Nil=8.35.
Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. Ex-$ pm. Index started June 1972. SE Activity July-Dec. 1942.
†Corrected

HIGHS AND LOWS

—	1978 High	1978 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	78.58 (3/1)	67.92 (10/11)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	81.27 (9/1)	69.30 (13/11)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	535.5 (14/9)	433.4 (2/3)	549.2 (14/9/77)	49.4 (26/6/40)
Gold Mines	206.6 (14/8)	124.1 (29/11)	442.3 (22/5/75)	43.5 (26/10/71)
Gold Mines (Ex-$ pm.)	132.3 (14/8)	90.3 (18/4)	337.1 (3/4/74)	54.3 (25/6/75)

S.E. ACTIVITY

	Dec. 8	Dec. 7
—Daily		
Gilt Edged	157.8	146.0
Industrials	143.7	145.1
Speculative	40.5	†28.3
Totals	98.2	96.5
5-day Average		
Gilt-Edged	162.9	154.2
Industrials	148.6	141.6
Speculative	28.4	24.2
Totals	99.7	94.7

LONDON TRADED OPTIONS

Option	Ex'rc'se price	January Closing offer	January Vol.	April Closing offer	April Vol.	July Closing offer	July Vol.	Equity close
[illegible]								

RISES AND FALLS

	Yesterday Up	Yesterday Down	Yesterday Same	On the week Up	On the week Down	On the week Same
British Funds	39	3	36	133	61	196
Corporations, Dom. and Foreign Bonds	10	4	47	57	18	230
Industrials	255	250	1,023	1,792	939	4,918
Financial and Prop.	87	86	339	783	239	1,533
Oils	7	9	21	40	28	117
Plantations	5	3	24	22	32	106
Mines	69	23	48	309	117	274
Recent Issues	6	4	16	33	14	89
Totals	478	382	1,554	3,174	1,448	7,459

ACTIVE STOCKS

YESTERDAY—

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1978 high	1978 low
GEC	25p	13	340	+ 8	349	233
BP	£1	12	940	− 6	954	720
Shell Transport	25p	12	584	− 3	602	484
BATs Defd.	25p	8	257	+ 2	304	227
HK and Shanghai	$HK2.50	8	262	—	360	203
Barclays Bank	£1	7	370	+ 2	372	296
De Beers Defd.	R0.05	7	362	+10	488	285
ICI	£1	7	380	− 1	421	328
Ladbroke	10p	7	183	—	215	154
Plessey	50p	7	113	+ 1	125	87
Beecham	25p	6	637	+ 5	726	581
GKN	£1	6	263	+ 2	298	248
Marks & Spencer	25p	6	89	+ 2	94	67½
Rank Org.	25p	6	260	− 2	296	226
Reed Intl.	£1	6	152	—	183	102

The above list of active stocks is based on the number of bargains recorded yesterday in the Official List and under Rule 163(1) (e) and reproduced today in Stock Exchange dealings.

ON THE WEEK—

Stock	Denomination	No. of marks	Closing price (p)	Change on week	1978 high	1978 low
GEC	25p	71	340	+ 9	349	233
Shell Transport	25p	65	584	− 1	602	484
BP	£1	64	940	− 4	954	720
Barclays Bank	£1	59	370	+ 5	372	296
Beecham 'New'	25p	53	645	+35	645	568
ICI	£1	48	380	+ 8	421	328
BATs Defd.	25p	45	257	+ 5	304	227
Marks & Spencer	25p	38	89	+ 4	94	67½
Lloyds Bank	£1	37	282	+ 7	297	242
NatWest	£1	36	285	+ 2	298	250
P & O Defd.	£1	36	85	+ 1	118	76½
Pilkington	£1	35	310	+ 8	328	211
Courtaulds	25p	34	124	+ 5	131	109
Midland Bank	£1	33	370	+ 7	390	330
Burmah Oil	£1	32	78	+ 3	89	42

BASE LENDING RATES

A.B.N. Bank	12½%	■ Hambros Bank	12½%
Allied Irish Banks Ltd.	12½%	■ Hill Samuel	§12½%
American Express Bk.	12½%	C. Hoare & Co.	†12½%
Amro Bank	12½%	Julian S. Hodge	13½%
A P Bank Ltd.	12½%	Hongkong & Shanghai	12½%
Henry Ansbacher	12½%	Industrial Bk. of Scot.	12½%
Associates Cap. Corp.	12½%	Keyser Ullmann	12½%
Banco de Bilbao	12½%	Knowsley & Co. Ltd.	14½%
Bank of Credit & Cmce.	12½%	Lloyds Bank	12½%
Bank of Cyprus	12½%	London Mercantile	12½%
Bank of N.S.W.	12½%	Edward Manson & Co.	13½%
Banque Belge Ltd.	12½%	Midland Bank	12½%
Banque du Rhone et de la Tamise S.A.	13 %	■ Samuel Montagu	12½%
Barclays Bank	12½%	■ Morgan Grenfell	12½%
Barnett Christie Ltd.	13½%	National Westminster	12½%
Bremar Holdings Ltd.	13½%	Norwich General Trust	12½%
Brit. Bank of Mid. East	12½%	P. S. Refson & Co.	12½%
■ Brown Shipley	12½%	Rossminster	12½%
Canada Perm't Trust	12½%	Royal Bk. Canada Trust	12½%
Cayzer Ltd.	12½%	Schlesinger Limited	12½%
Cedar Holdings	12½%	E. S. Schwab	13½%
■ Charterhouse Japhet	12½%	Security Trust Co. Ltd.	13½%
Choulartons	12½%	Shenley Trust	14 %
C. E. Coates	12½%	Standard Chartered	12½%
Consolidated Credits	12½%	Trade Dev. Bank	12½%
Co-operative Bank	*12½%	Trustee Savings Bank	12½%
Corinthian Securities	12½%	Twentieth Century Bk.	13½%
Credit Lyonnais	12½%	United Bank of Kuwait	12½%
Duncan Lawrie	12½%	Whiteaway Laidlaw	13 %
The Cyprus Popular Bk.	12½%	Williams & Glyn's	12½%
Eagil Trust	12½%	Yorkshire Bank	12½%
English Transcont.	12½%		
First Nat. Fin. Corp.	14 %		
First Nat. Secs. Ltd.	14 %		
■ Antony Gibbs	12½%		
Greyhound Guaranty	12½%		
Grindlays Bank	‡12½%		
■ Guinness Mahon	12½%		

■ Members of the Accepting Houses Committee.
* 7-day deposits 10%, 1-month deposits 10½%.
† 7-day deposits on sums of £10,000 and under 10%, up to £25,000 10¼% and over £25,000 10½%.
‡ Call deposits over £1,000 10%.
§ Demand deposits 10%.

OPTIONS

DEALING DATES

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Dec. 5	Dec. 18	Mar. 8	Mar. 20
Dec. 19	Jan. 8	Mar. 22	Apr. 3
Jan. 9	Jan. 22	Apr. 5	Apr. 18

For rate indications see end of Share Information Service

Money was given for the call in Lonrho, Levex, UDT, W. L. Pawson, Metals Exploration, J. E. Sanger, Electronic Machine, Harris Queensway, Ladbroke Warrants, MFI, Trust Houses Forte Warrants and Intereuropean Property. Puts were completed in Louis C. Edwards and Minorco, while double options were arranged in Pacific Copper, Premier Oil, MFI, Trust Houses Forte Warrants and Keyser Ullmann.

NEW HIGHS AND LOWS FOR 1978

The following securities quoted by the Share Information Service yesterday attained new Highs and Lows for 1978.

NEW HIGHS (26)

BUILDINGS (4)
Baggeridge Brick; Parker Timber; Heywood Williams; Roberts Adlard

STORES (1)
Status Discount

ELECTRICALS (1)
A.B. Electronic

ENGINEERING (4)
Baker Perkins; Dennis (J. H.); British Aluminium; Wombwell Foundry

FOODS (1)
Carters

HOTELS (1)
Stakis (Reo.)

INDUSTRIALS (6)
Bentima; Fothergill & Harvey; Christie-Tyler; Kershaw (A.); Eleco; Sangers

LEISURE (1)
Man. Agency & Music

PAPER (1)
Saatchi & Saatchi

PROPERTY (4)
Capital & Counties; Prop. Sec. Inv.; County & District; Utd. Real Property

MINES (2)
Mincorp; Hampton Areas

NEW LOWS (9)

ENGINEERING (2)
British Northrop; Record Ridgway

INDUSTRIALS (3)
Brady Inds. A; Hoover A; Gestetner A

MINES (4)
Falcon; Idris; Rhodesian Corp.; Cons. Murchison

RECENT ISSUES

EQUITIES

[illegible]

FIXED INTEREST STOCKS

[illegible]

"RIGHTS" OFFERS

[illegible]

FT-ACTUARIES SHARE INDICES

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EQUITY GROUPS and SUB-SECTIONS	Fri., Dec. 8, 1978	Thurs., Dec. 7	Wed., Dec. 6	Tues., Dec. 5	Mon., Dec. 4	Year ago (approx.)	Highs and Lows Index
[illegible]							

FIXED INTEREST PRICE INDICES

[illegible]

FIXED INTEREST YIELDS

[illegible]

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AUTHORISED UNIT TRUSTS

INSURANCE AND PROPERTY BONDS

OFFSHORE AND OVERSEAS FUNDS

CORAL INDEX: Close 490-495

INSURANCE BASE RATES

†Property Growth	11¾%
†Vanbrugh Guaranteed	10.75%

†Address shown under Insurance and Property Bond Table.

NOTES

Prices do not include $ premium, except where indicated ♦, and are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ♥ Net of tax on realised capital gains unless indicated by ♦. § Guernsey gross. # Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies.

FT SHARE INFORMATION SERVICE

BONDS & RAILS—Cont.

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

INTERNATIONAL BANK

CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

1978 High	Low	Stock	Price £	+ or —	Div. % Gross	Red. Yield
24	17	Antofagasta Rly...	23½	.....	—	—
41	35	Do. 5pc Pref......	39xd	.....	—	—
99	98	Chilean Mixed ...	98	.....	—	13.10
415	350	German Yng. 4½pc.	411	.....	4½	—
52	46	Greek 7pc Ass......	50	.....	3½	17.20
51	45	Do. 6pc 28 Stab. Ass..	49	.....	6	16.24
44	40	Do. 4pc Mixed Ass...	40	.....	4	15.13

AMERICANS

S.E. List Premium 38¾% (based on US$1.9547 per £)

Conversion factor 0.7233 (0.7255)

CANADIANS

S.E. List Premium 38¾% (based on $2.2940 per £)

BANKS AND HIRE PURCHASE

1978 High	Low	Stock	Price	+ or —	Div. Net	Cvr	Y'ld Gr's	P/E
217	155	Hambros	176xd	+3	†9.76	—	8.3	—
100	81	Hill Samuel	87	−1	†4.97	—	8.5	—
600	197	Do. Warrants..	200	......	—	—	—	—
360	203	Hong Shng $2.50	262	......	hQ59c	—	2.6	—
69	52	Jessel Toynbee.	62	......	th3.32	—	8.0	—
215	150	Joseph (Leo) £1..	155xd	......	8.74	—	8.4	—
55	37	Keyser Ullmann	47	......	0.67	—	2.1	—
74	56	King & Shax 20p.	65	......	3.44	—	8.0	—
114	88	Kleinwort B.L..	94	−1	†4.18	—	6.6	—
297	242	Lloyds £1.........	282	+2	†9.23	4.8	4.9	6.4

BANKS & HP—Continued

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

CHEMICALS, PLASTICS—Cont.

DRAPERY AND STORES

ELECTRICAL AND RADIO

ENGINEERING—Continued

ENGINEERING MACHINE TOOLS

FOOD, GROCERIES, ETC.

FOOD, GROCERIES—Cont.

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

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INSURANCE—Continued

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Components

Garages and Distributors

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EASTERN RAND

FAR WEST RAND

O.F.S.

FINANCE

DIAMOND AND PLATINUM

CENTRAL AFRICAN

MINES—Continued

AUSTRALIAN

1978 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
15	9	Acmex 25c	10	......	—	—	—
140	64	Bougainville 50 Toea	123	....	†Q8c	1.4	4.1
131	63	BH South 50c	112	+2	—	—	—
820	150	Central Pacific	425	.....	—	—	—
336	148	Conzinc Riotinto 50c	282	+4	‡Q10c	2.2	‡
27	9½	Endeavour 20c	17½	+½	—	—	—
75	45	G.M. Kalgoorlie $1	52	......	—	—	—
62	18	Haoma Gold N.L.	34	......	—	—	—
157	87	Hampton Areas 5p	157	+1	♦13.55	2.0	3.4
40	10	Metals Ex. 50c	28	+1	—	—	—
223	125	M.I.M. Hldgs. 50c	197	+3	Q9c	1.7	2.8
22	10	Minefields Expl.	15	.....	—	—	—
40	10	Mount Lyell 25c	32	......	—	—	—
7	1½	Newmetal 10c	4¼	−¼	—	—	—
143	74	North B. Hill 50c	104	+1	Q8c	1.3	4.7
16½	8½	Nth. Kalgurli	11½	+½	—	—	—
50	12	Nth. West Mining	28	.....	—	—	—
178	115	Oakbridge SA1	126	+2	Q12c	1.9	10.9
42	10	††Otter N L	24		—	—	—
70	30	Pacific Copper	62	+2	—	—	—
1,35½	725	Pancont'l 25c	825	+25	—	—	—
40	12	Paringa M&Ex 5p	18	−½	—	—	—
570	310	Peko-Wallsend 50c	436	+8	Q15c	♦	2.1
300	50	Southern Pacific	165	.....	—	—	—
164	84	Westn. Mining 50c	130	+3	Q3c	0.7	1.4
100	35	Whim Creek 20c	75	......	—	—	—

TINS

1978 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
30	23	Amal. Nigeria	24	......	2.81	1.3	17.4
420	240	Ayer Hitam $M1	310	−5	Q300c	0.5	20.8
60	45	Beralt Tin	55	......	14.0	4.4	11.4
305	190	Berjuntai $M1	210	−4	Q110c	1.0	11.3
185	111	Geevor	170	+5	5.04	5.8	4.4
11	9½	Gold & Base 12½p	10	......	—	—	—
350	220	Gopeng Cons.	300	......	†15.36	0.9	7.6
520	130	Hongkong	320	......	12.5	♦	5.8
93	73	Idris 10p	73	−2	‡12.0	1.6	‡
11	7	Jantar 12½p	9½	.....	—	—	—
84	64	Kamunting $M0.50	64	......	†Q12.5c	2.1	4.3
640	450	Killinghall	620	..	Q128.36	♦	23.7
470	290	Malay Dredging $M1	370xd	−5	Q175c	0.7	10.2
78	40	ΔPahang	44	......	Q0.62c	♦	0.3
78	50	Pengkalen 10p	60	......	6.60	1.3	16.4
270	165	Petaling $M1	220	−5	Q120c	♦	12.4
87	49	Saint Piran	83	+1	2.03	6.5	3.6
70	47	South Crofty 10p	62	−1	4.19	2.0	10.1
245	140	South Kinta $M0.50	180	−5	sQ145c	0.6	17.3
340	230	Sthn Malayan $M1	280xd	−15	Q190c	1.0	14.6
240	134	Sungei Besi $M1	235	−5	mQ65c	5.3	6.6
85	55	Supreme Corp. $M1	65	......	ZQ10c	—	3.3
100	84	Tanjong 15p	100	....	6.60	0.8	9.8
100	74	Tongkah Hrbr $M1	85	.	Q35.82c	0.7	9.4
270	148	Tronoh $M1	200	−5	‡Q88c	1.6	‡

COPPER

1978 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
104	54	Messina R0.50	54	.....	—	—	—

MISCELLANEOUS

1978 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
68	35	Barymin	54	+2	—	—	—
17	9	Burma Mines 17½p	12	......	—	—	—
300	175	Cons. Murch. 10c.	175	−5	‡Q30c	2.6	‡
465	245	Northgate C$1	420	−25	—	—	—
263	164	R.T.Z.	236	−1	9.5	2.8	6.0
90	30	Sabina Inds. C$1	44	−1	—	—	—
812	687	Tara Expln. $1	700	+13	—	—	—
185	120	Yukon Cons. C$1	140	......	Q7c	2.9	2.4

GOLDS EX-$ PREMIUM

London quotations for selected South African gold mining shares in U.S. currency excluding the investment dollar premium. These prices are available only to non-UK residents.

1978 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
$15¼	$10¼	Buffels R1	$11	+½	Q170c	1.8	17.9
$11¼	830c	East Drie R1	865c	+15	†Q78c	1.7	10.4
585c	330c	East Rand Prp. R1.	370c	......	—	—	—
$28⅝	$16½	F. S. Geduld 50c	$17⅞	+⅛	Q315c	♦	20.4
$15⅛	975c	Pres. Brand 50c	$20¾	+⅛	Q150c	♦	16.1
$13⅜	900c	St. Helena R1	$10⅛	+⅛	Q190c	♦	21.6
465c	313c	Stilfontein 50c	400c	+10	†Q22c	2.3	6.3
$17⅞	$16¼	Vaal Reefs 50c	$17½	+⅝	Q115c	3.3	7.6
$37	$25	West Drie R1	$28⅝	+⅝	Q385c	1.7	15.5
$31¼	$19	West Hldgs. 50c	$21⅛	+⅝	Q415c	♦	22.7
$12½	895c	Western Deep R2	$10⅜	+¼	Q82.5c	2.4	9.2

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross, adjusted to ACT of 33 per cent. and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- Δ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- †† Unlisted security.
- ø Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue; cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim; reduced final and/or reduced earnings indicated.
- § Forecast dividend, cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ✣ Regional price.
- H No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend, cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1978-79. K Figures based on prospectus or other official estimates for 1978. M Dividend and yield based on prospectus or other official estimates for 1978. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date. §§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xc ex capital distribution.

"Recent Issues" and "Rights" Page 24

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £400 per annum for each security

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Stock	Price	+ or −
Albany Inv. 20p	26	......
Ash Spinning	67xd	......
Bertam	15	......
Bdg'wtr. Est. 50p	323	......
Clover Croft	28	......
Craig & Rose £1	615	......
Dyson (R. A.) A	35	......
Ellis & McHdy	64	......
Evered	23	−2
File Forge	52	......
Finlay Pkg. 5p	21	......
Graig Ship £1	140	......
Higsons Brew	74xd	......
Holt (Jos) 25p	252	......
I.O.M. Stm. £1	192	+5
N'thn. Goldsmith	70xd	......
Pearce (C. H.)	198	+8
Peel Mills	21	......
Sheffield Brick	55	......
Sheff. Refrshmt	67xd	......
Sindall (Wm.)	117	......

IRISH

Stock	Price	+ or −
Conv. 9% '80/82	£90	......
Alliance Gas	98	−5
Arnott	352	......
Carroll (P. J.)	97	+2
Clondalkin	98	......
Concrete Prods.	130	......
Heiton (Hldgs.)	41	−1
Ins. Corp	160	......
Irish Ropes	105	......
Jacob	52	......
T M G	195	......
Unidare	80	......

OPTIONS

3-month Call Rates

Stock	Rate
Industrials	
A. Brew	6½
A.P. Cement	18
B.S.R.	9
Babcock	11
Barclays Bank	25
Beecham	35
Boots	15
Bowaters	16
B.A.T.	24
British Oxygen	6
Brown (J.)	20
Burton 'A'	12
Cadburys	5
Courtaulds	10
Debenhams	8
Distillers	15
Dunlop	7
Eagle Star	11
E.M.I.	14
Gen. Accident	17
Gen. Electric	18
Glaxo	40
Grand Met.	9
G.U.S. 'A'	20
Guardian	18
G.K.N.	22
Hawker Sidd	28
House of Fraser	12
I.C.I.	20
"Imps"	6
I.C.L.	20
Invresk	8
KCA	3
Ladbroke	17
Legal & Gen.	14
Lex Service	7
Lloyds Bank	22
"Lofs"	4
London Brick	5
Lonrho	5
Lucas Inds.	25
Lyons (J.)	10
"Mams"	7
Mrks. & Spncr	10
Midland Bank	25
N.E.I.	12
Nat. West. Bank	22
Do. Warrants	10
P & O Dfd.	8
Plessey	8
R.H.M.	5
Rank Org 'A'	18
Reed Intnl	12
Spillers	3
Tesco	4
Thorn	22
Trust Houses	15
Tube Invest.	30
Unilever	35
Utd. Drapery	7½
Vickers	15
Woolworths	5
Property	
Brit. Land	3¼
Cap. Counties	4½
E.P.	5
Intreuropean	4
Land Secs.	16
MEPC	12
Peachey	8
Samuel Props.	9
Town & City	1¼
Oils	
Brit. Petroleum	45
Burmah Oil	5
Charterhall	3
Shell	28
Ultramar	20
Mines	
Charter Cons.	12
Cons. Gold	14
Rio T. Zinc	16

A selection of Options traded is given on the London Stock Exchange Report page

FINANCIAL TIMES
Saturday December 9 1978

MAN OF THE WEEK

Bringing EMS to reality

BY GUY DE JONQUIERES

THE PRESIDENT of the EEC Commission is like a general *without any troops to command.* He is expected to point Europe towards a common goal and try to keep it marching more or less in step. Yet unlike the government leaders whom he seeks to influence, he has few bigs guns in his armoury and no obvious political constituency from which to summon reinforcements. His only real weapons are ideas and his powers of argument and persuasion.

When Mr. Roy Jenkins came to Brussels at the start of last year, his advisers sought at first to bolster his public image through a mass-media campaign *aimed at bringing the Commission* closer to the man in the street. But they soon discovered that decisions on tomato paste imports and harmonisation directives make dreary television, and Mr. Jenkins looked for other ways to make his mark.

His first major sally into the public arena, a full nine months after taking office, could hardly have provoked more surprise. Speaking in Florence before a small, select audience of the kind in which he feels most at ease, he called for a revival of the EEC's almost-forgotten

Roy Jenkins
Greater progress than he had any reason to expect even a year ago.

dream of a full monetary union. Though powerfully argued, his appeal was greeted initially with disbelief, even among his fellow commissioners. In the unadventurous political climate of the day, it seemed to stand *about as much chance of success* as a proposal to send an EEC mission to the moon.

But Chancellor Schmidt of Germany and President Giscard d'Estaing of France were prepared at least to hear him out. Only six months later, at the EEC summit in Copenhagen, the two leaders outlined to their colleagues proposals for a "zone of monetary stability" in Europe. No one, perhaps, was caught more off balance than Mr. James Callaghan, who had treated Mr. Jenkins' Florence speech with overt disdain.

It is an open question how far Mr. Jenkins' arguments influenced Messrs. Schmidt and Giscard, and how far he merely anticipated a turning of the political tides. By his own admission, his *initiative was a true gamble in the early stages,* and Herr Schmidt has claimed perhaps uncharitably that what really triggered his own thinking was reading the memoirs of Jean Monet, one of the founding fathers of the Common Market.

It is arguable, too, how closely the proposed European Monetary System corresponds to Mr. Jenkins' original prescription. He described last week's EEC Summit as "a limited success" and is no doubt disappointed that it failed to *produce a commitment to the transfer* of resources which he considers essential to full monetary union. But the EMS decisions also represent greater progress than he had any reason to expect even a year ago, and he can claim to have been genuinely involved from the very beginning.

It remains to be seen whether he will get another opportunity to present equally dramatic ideas in the two years left of his Presidency. But there will be plenty of challenges for him and his colleagues as they try to resolve the formidable practical problems of enlarging the EEC to 12 members, tackle the monumental distortions of the Common Agricultural Policy and attempt to nudge governments into aligning their economic and industrial policies more closely.

Coal-for-oil policies 'can fill energy gap'

BY TERRY DODSWORTH

PARIS, Dec. 8

WESTERN Government support for a "massive substitution" of coal for oil is urged today in a report issued by the secretariat of the International Energy Agency.

The report says such a programme is essential in industrial and developing countries if they are to maintain even modest economic growth this century. But it adds that to fill the energy gap there must also be more rigorous conservation of energy and new developments in supply.

Underlying the agency's case for coal is the assumption that, after 1985, world demand for energy will increasingly outstrip supply because of oil shortages. *Higher fuel prices* would permit the use of other energy sources, such as natural gas and synthetic fuel, but these are "not nearly as *plentiful, dispersed,* nor, in the case of synthetics, technically or commercially perfected as coal."

By the end of this century the energy gap is expected to be between 1.2bn and 1.3bn tonnes of oil equivalent.

The report concedes that there are environmental concerns about expanding coal trade and usage, but adds that, with careful *planning, these should not im*pede the industry's development.

The principal check on growth at present was failure by many *private and public energy plan*ners to appreciate the growing economic attractiveness of using coal instead of oil.

Introducing the survey, Dr. Ulf Lantzke, the agency's executive director, said the problems of changing from oil to coal must be tackled within five years, because of the long lead time required to make the necessary investment.

"We think that low-cost coal is competitive with other fuels in wide areas of the world. It is even competitive with nuclear energy in certain places."

Obstacle

Dr. Lantzke said the main obstacle to the development of coal usage was the "psychological barrier" by which people regarded coal as an energy *source of the past.*

He emphasised that the development of the industry, which would depend on producing cheap coal in countries such as the U.S., Australia and India would also require a big change in the pattern of world trade and *heavy investment in a new infra*structure to handle coal.

Although the report foresaw a big growth in cheap coal imports to Western Europe, there would still be a place in the world industry for high-cost coal producers, such as the UK and West Germany.

Dr. Lantzke noted that the report's analysis of the energy gap was based on "conservative" calculations.

Energy requirements in the OECD area are projected to grow by 2.7 per cent annually to the year 2000, while economic activity expands at an average annual rate of 3.4 per cent. Indigenous oil production is expected to increase until 1985 and then decline.

Coal demand will depend to some extent on the acceptability of nuclear energy programmes, but the report forecasts that, even without active substitution policies, coal usage in the OECD area will double to the end of the century, rising from 498m tonnes oil equivalent in 1976 to 1.2bn tonnes oil equivalent.

However, this expansion could be greatly increased if the OECD Governments co-operated to encourage investment in ports, handling facilities and mining.

This could lead to an additional use for coal equal to 353m tonnes of oil equivalent by the year 2000.

Development of these policies would result in Europe becoming a large importer of coal (311m tonnes a year by 2000, against 55m tonnes in 1976), along with Japan (180m tonnes), while North American exports would develop to 143m tonnes by 2000, and Australian and New Zealand exports to 195m tonnes.

Government explains British links with monetary system

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE GOVERNMENT explained in detail yesterday how the UK would be involved in the development of the new European Monetary System without joining the exchange rate mechanism from the start.

A short White Paper on the system was *published yesterday.* This contains the resolution of this week's EEC Heads of Government summit in Brussels coupled with notes explaining the UK position.

The White Paper notes that the UK will be involved in the Finance Ministers' review after six months of certain aspects of the exchange rate mechanism and in continuing reciprocal consultation about important decisions concerning exchange rate policy between countries inside and outside the currency regime.

Regulations

Britain will also be involved in the Finance Ministers' meeting on Monday week, which will consider the regulations setting up the system.

The White Paper also discusses the measures designed to strengthen the economies of the less prosperous members, specifically identified as the UK, Italy and Ireland.

Britain would neither qualify for loans with an interest rate subsidy, nor contribute towards *interest rate subsidies for others,* as long as it was not participating in the exchange rate mechanism.

The European Monetary System, Cmnd. 7419: Stationery Office, price 25p

Lever supports EMS, Page 3

Shell-Esso in £700m project to develop Cormorant field

BY KEVIN DONE, ENERGY CORRESPONDENT

SHELL and Esso are planning to spend more than £700m to develop the North Cormorant Field in the North Sea.

*Shell, as operator for the pro*ject, said yesterday that it had invited bids for the construction of a 20,000 ton steel jacket for *the drilling and production plat*form.

All three British Steel platform yards are expected to be on the *tender list,* along with some foreign yards. The stiffest Continental competition for recent orders has come from France and Spain, but yards in other countries, such as Norway and Holland, are also short of work.

The eight-leg jacket, which will stand in about 530 feet of water is due to be floated out to the field in 1981. The first oil production is expected in 1982-83, reaching a peak of 180,000 barrels a day in the mid-1980s.

The oil will flow from the Brent System pipeline to Sullom Voe in the Shetland Islands, and associated gas will be fed into *the western extension to the* Brent gas trunkline leading to St. Fergus, near Peterhead.

Bids for the platform contract *must be placed by mid-February.* But Shell warned yesterday that no definitive order would be placed until a "mutually acceptable" plan for developing North Cormorant had been agreed with the Government. A decision from the Department of Energy was not expected before April.

The UK platform construction industry could receive a further boost next year, with orders expected for the steel platform for BP's Magnus Field and Phillips' Maureen Field.

Mr. L. C. van Wachem, a managing director of the Royal Dutch/Shell group, said in The Hague yesterday that the estimated cost of the North Cormorant project was £700m. Of this drilling work could cost nearly £200m.

Another £200m would be added to the costs, he said if the companies decided to go ahead with *a subsea development for* exploiting other reserves on the Cormorant blocks 211/21 and 211/26.

Mr. van Wachem said that the estimated cost of developing the North Sea Fulmar Field, which is due on stream in 1981, was *now £600m, including drilling* costs.

He admitted that delays in *receiving planning permission to* build a *natural gas* liquids separation plant at Mossmorran, Fife, would limit oil and gas production from the Brent Field, the largest field discovered in the UK sector of the North Sea.

The natural gas terminal at St Fergus should be completed by the first half of 1980, which would allow limited sales to the British Gas Corporation.

But the Scottish *Office had still* not reached a decision on the prolonged inquiry into the Fife project. Such delays could make *"an enormous difference"* to profitability, he said.

Shell to spend more, Page 3

Minister to visit Kirkby co-operative on Monday

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

A MASS MEETING of 700 workers at the Kirkby Manufacturing and Engineering *co-operative on Merseyside is to* be addressed on Monday by Mr. Alan Williams, Minister of State for Industry.

At the *same time, a fresh bid* for a £3m rescue of the enterprise will be presented by the co-operative's leaders who *yesterday had long talks in London* with Mr. Williams and his advisers.

This follows the pulling out on Thursday of Worcester Engineering, a small central heating company, from plans to take over the co-operative and develop its radiator production.

The co-operative is making losses of about £20,000 a week and urgently needs fresh cash since the interim State aid of £150,000 arranged by Mr. Williams last month has just run out.

Mr. Cecil Duckworth, managing *director of Worcester Engineer*ing, is also being invited to address the meeting and explain why he has abandoned the takeover and £8m expansion plans which were to have been funded by Government aid and a Barclays Bank overdraft.

Mr. Williams will attend the meeting at the invitation of the co-operatives' leaders and will not himself propose any fresh *rescue ideas.*

Both he and the co-operative's leaders appear to agree that there is no chance of reviving the Worcester takeover proposal. Nor has there been any fresh discussion of intervention by the National Enterprise Board.

The new £3m rescue bid to be proposed would involve Govern*ment aid plus outside help from* other interests.

But it would need the approval of the Government and there *appears to be little political* interest in trying to save the enterprise.

Continued from Page 1

British Oxygen

a lower figure. A four-week strike by the same group last year cost the company about £5m.

Pauline Clark writes: At least six exhibition contracting companies *believe they have* been hit by Government sanctions because of a national pay agreement which they have been told *is outside last year's 10 per cent* pay limit.

About 225 companies, including 170 in the National Association of Exhibition Contractors, have been told that sanctions will be taken against them if they implement their national agreement. This gives about 4,500 employees an 11.8 per cent pay rise.

Mr. Richard Goodhart, association secretary, said yesterday that the Treasury had rejected the employers' argument that the increase is within the guidelines, taking into account projections that overtime work will fall next *year.*

He said the association was unable to try to renegotiate the deal without risk of industrial action. *Action had already* affected the Motor Show, and the association was concerned that there should be no disruption at *the Boat Show next month.*

Airline to pay fine for aiding Rhodesia

BY DAVID BUCHAN

WASHINGTON, Dec. 8.

UNITED AIRLINES is to pay $50,000 in settlement of a suit brought by the U.S. Justice Department for breaking sanctions on Rhodesia. At the *same time, the Administration* revealed that it had re-opened its investigation of similar charges against the Mobil and *Caltex oil companies in the* wake of the recent Bingham Report.

The U.S. Treasury, which *initially investigates all sanc*tions-busting charges, last year closed its probe into allegations that certain major U.S. oil *companies were illegally help*ing ship oil to Rhodesia, after the companies claimed they were prevented by the South *African* Secrecy Act from supplying information that the U.S. Treasury had sought.

The case has been reopened, U.S. Treasury officials said today, because the Bingham Report, which mainly centred on British Petroleum and Shell, also contained some fresh leads on the activities of U.S. oil companies. They would not say how far the new investigations had reached, or give any details.

Under an agreement reached with the U.S. Justice Department and approved by a Chicago judge today, United Airlines entered a plea of "no contest" to the charge, and agreed to pay the maximum $10,000 fine, plus $40,000 to avoid forfeiting the training equipment used.

Crews trained

The U.S. Government alleges that in 1974 United trained crews for a company called Affretair, supposedly the airline of Gabon but in fact a wholly-owned subsidiary of the Rhodesian Government airline. The training took *place at United's establish*ment in Colorado where it has trained crews for airlines from all over the world.

United Airlines said in Chicago today that the airline had not intentionally broken the sanctions, had since en*sured it would* not happen again, and had had no more contacts with Affretair.

The two three-man crews, *trained in 1974,* had entered the U.S. on papers which gave no indications that they were Rhodesian citizens or employees.

A lawyer in the U.S. Attorney's office in Chicago said that in a statement filed with the court there, United Airlines had admitted training other Affretair crews before 1974. But the five-year statute of limitations had run out on these alleged offences.

Weekend Brief, Page 17

Weather

UK TODAY

WINDY, with showers, prolonged in places.

London, S., S.E., C. England, E. Anglia, S. Wales
Showers. More general rain later. Max. 12C (54F).

Midlands, E., N.E. England, S.E. Scotland
Showers, prolonged in places. Max. 11C (52F).

S.W. England, S. Wales
Rain spreading from S.W. in *morning. Max. 13C (55F).*

N. Wales, N.W. England, W. Scotland, N. Ireland
Showers, heavy and prolonged *in places. Wind S. or S.W., strong* or gale. Max. 11C (52F).

N., Cent., W. Scotland, Orkneys, Shetlands
Rain at first, showery later. Wind E. or S.E., strong, becoming S. Max. 7-9C (45-48F).

Outlook: Unsettled; mild.
[From the London Weather Centre]

BUSINESS CENTRES

		Y'day midday °C	°F			Y'day midday °C	°F
Amstrdm.	R	1	34	Manchstr.	R	9	48
Bahrain	*S*	*25*	*77*	*Melbourne*	*C*	*15*	*59*
Barcelona	F	17	63	Mexico C	S	21	70
Beirut	C	17	63	Milan	S	—2	28
Belfast	R	8	46	Montreal	C	—5	23
Belgrade	F	—2	28	Moscow	F	—6	21
Berlin	F	—6	21	Munich	C	—6	21
Brmghm.	R	8	46	Newcastle	R	7	45
Bristol	R	11	52	New Delhi	S	21	70
Brussels	R	4	39	New York	C	13	56
Budapest	S	—4	25	Oslo	C	—6	21
B. Aires	C	26	79	Paris	C	12	54
Cairo	S	20	68	Perth	R	22	72
Cardiff	C	11	52	Prague	C	—5	23
Chicago	C	—11	12	Reykjavik	F	7	45
Cologne	R	—2	28	Rio de J'o	C	26	80
Copnhagn.	F	0	32	Rome	F	13	55
Dublin	R	10	50	Singapore	S	28	83
Edinburgh	*C*	*7*	*45*	*Stockholm*	*C*	*—1*	*30*
Frankfurt	R	—4	25	Strasbrg.	R	—2	28
Geneva	R	1	34	Sydney	C	22	72
Glasgow	R	8	46	Tehran	C	2	36
Helsinki	F	—2	28	Tel Aviv	C	16	61
H. Kong	S	23	73	Tokyo	C	15	60
Jo'burg	*S*	*26*	*79*	Toronto	C	3	36
Lisbon	C	17	63	Vienna	S	—4	25
London	R	10	50	Warsaw	S	—4	25
Luxmbrg.	R	0	32	Zurich	R	—2	28
Madrid	C	13	55				

HOLIDAY RESORTS

Ajaccio	R	12	54	Jersey	R	12	54
Algiers	S	21	70	Las Plms.	S	22	72
Biarritz	R	17	63	Locarno	C	0	32
Blackpool	C	7	45	Majorca	F	18	64
Bordeaux	C	17	63	Malaga	C	19	66
Boulogne	R	7	45	Malta	S	17	63
Casblnca.	S	21	70	Nairobi	S	23	74
Cape To.	S	22	72	Naples	C	9	48
Corfu	F	11	52	Nice	R	8	46
Dubrovnik	S	7	45	Nicosia	F	18	64
Faro	F	18	64	Oporto	C	14	57
Florence	R	3	37	Rhodes	F	13	55
Funchal	C	20	68	Salzburg	C	—6	21
Gibraltar	F	19	66	Tangier	C	19	66
Guernsey	C	12	54	Tenerife	S	18	64
Innsbruck	F	—5	23	Tunis	S	17	63
Inverness	C	7	45	Valencia	F	20	68
I. of Man	R	8	46	Venice	C	—2	28
Istanbul	R	5	41				

S—Sunny. F—Fair. C—Cloudy. R—Rain.

THE LEX COLUMN

Christmas season starts slowly

There was a little after-hours buying of equities yesterday for the three-week Christmas account, but talk of a year-end rally, fuelled by the supposed unwillingness on the part of institutions to show too much *liquidity in their year-end* accounts, and by general seasonal bonhomie, was not very enthusiastic. The market is finely balanced around 490 on the 30-share index, a level at which it also paused for some *time when falling a couple of* months ago.

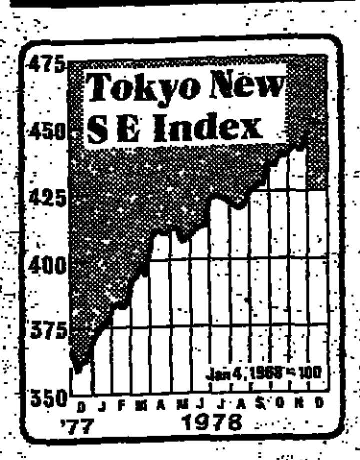
Equities may yet face some sterner tests in January when the wages battle will get under way in earnest after the Christmas lull—especially in the public sector—while there are still worries about the unsettling trend in company profits outside a few booming sectors like retailing (Thursday's official figures showed a sharp decline in company liquidity). Meanwhile, short-term interest rates show no immediate signs of turning down.

The partial *failure of the EMS* negotiations had negligible effects on the financial markets except for the predictable fall in Irish securities: in Irish gilts activity was cut short by the Dublin Government broker's *canny widening of his dealing* spread to 1¼ points. But the British Government's redeclared commitment to a stable exchange rate for sterling has proved helpful to the London gilt-edged market. Buyers have *been nibbling* at both tap stocks this week, and there has been a fair degree of strength at the untapped short end.

Burton Group

Burton Group arrived six days early with its results yesterday all because the Treasury was unexpectedly quick in giving clearance to the company's request for a net dividend rise from 1.5p to 4.5p a share (under the recovery provisions). And following the general rule that good figures are quicker to add up than bad ones, Burton has achieved a turnround from a loss of £5.08m to pre-tax profits of £7.55m. The recovery has not been wholly smooth, however, given that excluding property disposal profits the seasonally less favourable second half contributed just £1.9m compared with £4.7m in the first six months. The "A" shares finished the day just 1p higher at 177p, where the yield is now a modest 3.9 per cent.

Index rose 1.8 to 493.3



Nothing too precise should be read into Burton's short-term profit trends. During 1977-78, for instance, around £4.5m of closure and rationalisation costs *were treated as exceptional.* In the current year, by contrast, a big modernisation programme totalling some £12m will be charged against profits. *Still,* there seems to be a sharp improvement in the underlying performance, partly because of the action taken to sharpen the group's High Street trading image, partly through the surgery *applied to lossmakers,* and partly because retailing climate has radically improved. The latter point applies particularly to menswear, with the suits market coming out of its deep depression so that Burton has seen demand reviving even on the traditional made-to-measure side.

In *womenswear, Top Shop* continues to boom, with profits up pre-interest from roughly £2m to £3m while there has been a useful turnaround at Ryman, the office supplies chain. But the big scope for improve*ment remains in menswear,* both in manufacturing—where the £3.1m loss could be halved this time—and retailing. The new Top Man chain is apparently trading profitably on the basis of 44 branches, *but closure of shops during* modernisation (around 100 of the old Burton branches are due for treatment this year) is holding back sales for the time being. As for the shares, they continue to look for profits at several *times the present level,* and some further progress is promised for 1978-79.

Tokyo stock market

Of all the world's major stock *markets Tokyo* is the only one that has been marching firmly ahead all year. Yesterday, the *Tokyo* market hit another all time high with the Tokyo New Stock Exchange Index breaking through 450 and the Tokyo Dow Jones hitting 6074.93 in the heaviest trading so far this year. Compared with a normal daily trading volume of 300m-400m shares, turnover shot up to 850m yesterday, which is not far short of the peak daily total of 1.06bn reached in January 1973—shortly before the end of the 1971-73 bull market. The question now is whether the current bull market has come *near to* running its course.

There is undoubtedly a fair amount of speculative froth in the market at the moment with investors chasing after recovery stocks in the depressed steel and *shipbuilding industries. Over the last year* the market—measured by the Tokyo New Stock Exchange Index—has risen from 350 to 450 and foreign investors have had the added benefit of a rise in the yen/dollar rate from Yen 240 to *Yen 177. Even after* the recent appreciation of the dollar, the yen has still risen by around a sixth against the dollar this year.

This latest rise in the Japanese stock market is coming close to equalling the longest bull market in Japan's postwar history which ended abruptly in 1973. Indeed, if one leaves out 1977 when the Japanese stock market drifted sideways, Japanese equities have been on a rising trend since late 1974 when the Tokyo New Stock Exchange Index fell to just above the 250 level and the Yen dollar rate stood at 300.

The key to the market's strong performance over the last twelve months has undoubtedly been the tremendous liquidity in the financial system plus the *sluggish* recovery of the Japanese economy. Interest rates are at historically low levels and so far there is little sign of the surplus liquidity in the system disappearing. Until it does, most institutional investors remain confident that the Japanese stock market will move ahead, although there may be a short-term reaction over the next few months to shake out the speculative froth. A straw poll of fund managers last night concluded that the market would be higher this time next year.

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